Fortress Falklands: 'no hurry to shake hands', Page 10

No. 29,405

Friday August 24 1984

NEWS SUMMARY

GENERAL

Tehran station bomb kills 18

A bomb explosion near the en-trance to Tehran's main railway station killed at least 18 people and injured more than 300.

The station is the main exit point for Iranian troops leaving for the southern war front with Irag. It was not known if there were any troops mong the dead and wounded.

The station was cordoned off by Revolutionary Guards shooting their guns in the air. Two littleknown dissident groups claimed re-sponsibility for the blast. Page 3

Gas deal 'cancelled'

Margaret Thatcher, UK Prime Minister, is understood to have called off a deal to pipe natural gas from the Irish republic to Northern Ireland. Page 2

Border tension

Indian and Pakistani soldiers exchanged fire on the border separat-ing the two countries. The Indian Defence Ministry said there were some Pakistani casualties

Zaccaro denial

John Zaccaro, husband of U.S. vicepresidential candidate Geraldine Ferraro, denied that he had acted improperly in borrowing \$175,000 from the \$1m estate of an old lady which he was overseeing.

Israeli clampdown

Israel applied tough restrictions on travel between north Lebanon and the Israeli-occupied south, banning cars and trucks from crossing from one part of the country to the other.

West Bank ruling

building work.

Iraq air attack

Iraq said its aircraft attacked a large naval target south of Iran's Kharg Island oil terminal in the northern Gulf.

Soviet flooding

Parts of the Khabarovsk region of the Soviet Far East were under 35ft (10m) of water after torrential rains, Tass news agency reported.

Citroën layoffs

The French Government approved 1,909 redundancies at the Citroen car company, roughly 80 per cent of the layoffs originally sought by the loss-making subsidiary of the private-sector Peugeot car group.

SA low poll About 30 per cent of South Africa's mixed-race electorate voted in a poll for a new parliament. The Government promised to continue political changes that exclude majority

Salvador death toll

The death toll in El Salvador's civil war has risen above 50,000, according to church estimates.

Dissident 'exiled'

The U.S. State Department said it had received a report that Yelena Bonner, wife of Soviet dissident Andrei Sakharov, had been sentenced to five years' internal exile for slan-

dering the Soviet Union. Reader wins £1m

A reader of the Sun newspaper, Production difficulties in London published in the UK by Rupert Murdoch's News International, has been named as Britain's first £1m (\$1.3m) bingo prize winner.

BUSINESS

BASF doubles first-half profits

BASF, the West German chemicals concern, more than doubled firsthalf earnings to DM 1.25bn (\$434m).

GOLD rose \$5.75 on the London bullion market to \$352.25. It was also higher in Frankfurt at \$351.25 and in Zurich at \$351.75. In New York, the Comex August settlement was \$349.8. Page 28

DOLLAR lost ground in London to close at DM 2.8645 (DM 2.88), SwFr 2.3845 (SwFr 2.399), FFr 8.794 (FFr 8.84) and Y240.65 (Y241.3). On Bank of England figures, its trade weighted index fell from 138.6 to 138.1. In

STERLING improved against a weaker dollar, rising 30 points to of the Confederation of British In-\$1.313. It was lower, however, at dustry (CBI), said a strike might DM 3.7525 (DM 3.77), SwFr 3.1325 (SwFr 3.145), and FFr 11.555 (FFr 11.6075) and unchanged at Y316.0 (Its trade weighted index dropped to 77.9 from 78.1 in New York it closed of jobs in jeopardy. at \$1.312. Page 29

COPPER prices rose strongly in London, reaching the highest levels since the start of May, with higher-grade cash copper gaining £18.5 to £1.035 a tonne.

WALL STREET: The Dow Jones industrial average closed 0.66 up at 1,232.44. Section II LONDON gilts and equities were again affected by the looming docks

strike. The FT Industrial Ordinary index shed 6.4 to 835.2. Section II TOKYO stock gains held a slim majority. The Nikkei-Dow market average firmed 7,23 to 10,545.55. Sec-

U.S. MONEY SUPPLY: MI fell \$1.2bn in the week ending August

L.M. ERICSSON, the Nordic re-A Palestinian who claims to own land on which Israel's largest West Bank settlement is being built won and electronics company, reporter and electronics company reporter. increase in first-half pre-tax earnings to SKr 928m (\$112m). Page 15

FIRESTONE, the world's second largest tyre maker, boosted net third-quarter operating profits to \$29m, compared with \$27m, although net operating profits for the nine months were sharply down from \$65m to \$51m. Page 14

FOKKER, Dutch aerospace group, lifted net income 64 per cent to F1 10.41m (\$3.21m) in the first half compared with FI 6.34m in the peri-

od a year earlier. TOTTENHAM HOTSPUR, London football club, raised profits from £168,000 to £902,000 (\$1.18m) in its

first year after flotation on the London Stock Exchange, Page 16 OPEL, the West German subsidiary of General Motors, went into deficit in the first half after making a DM

299m (\$104m) profit in 1983. Page 15 BLUE BELL, U.S. clothing manufacturer, has agreed about a merger with a new corporation organised by Kelso, management buyout specialists. Page 14

NEDLLOYD, the Dutch shipping group, rebounded with a F1 52.4m (\$16.1m) profit for the first half compared with a Fi 72.9m loss in the corresponding period. Page 15

TWO COMPANIES have emerged as bidders in the privatisation of British Shipbuilders Yarrow shipyard on the Upper Clyde, Scotland.

Today's international edition is published in two sections, reflecting the seasonal reduction in pagination. Companies and Markets are combined in Section IL

may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's

British dockers start walkout as coal ship unloads

BY OUR INDUSTRIAL AND LABOUR STAFF IN LONDON AND GLASGOW

DOCK WORKERS in ports handling three quarters of Britain's sea-borne trade are expected to be called out on strike by their union

Britain moved to the brink of its second national docks strike within a month last night after port work-ers in Scotland said they would strike from 8 am today over British Steel Corporation's decision to unload a coal ship at its Hunterston terminal on the west coast of Scot-

Port authorities around Britain said last night that dockers appeared reluctant to strike, but those in most of the 78 ports covered by the national dock labour scheme, New York it closed at DM 2.872, FFr which handle 70 per cent of sea-8.815, Y240,95 and SwFr 2.386. Page | borne trade, would probably do so if they received a clear national call. Sir James Cleminson, pre

> A national delegate conference of the Transport and General Workers Union in London this morning is expecied to call out dockers at other

THE U.S. Treasury, bowing to political pressure in the Senate, yesterday agreed to make clear within the

next 10 days its thoughts about the

legal aspects of repackaged U.S.

government securities sold to over-seas investors in bearer form.

The move by several leading Wall

The move by several leading Wall Street investment banks, including

Salomon Brothers, to "strip" U.S.

government securities and sell cer-tificates representing either the

coupon payment (interest) or the

"corpus" (principal) of the debt is-

U.S. withholding taxes for overseas

ports in England, Wales and Northern Ireland.

At Dover, Britain's busiest port, next Friday, which should allow Au-

At Felixstowe, one of Britain's largest private ports, a union convener said his members might be rehictant" to strike. Tugmen and registered dock

workers at the Hunterston terminal walked out when the Panamanianregistered ship Ostia was berthed and crane drivers belonging to the Iron and Steel Trades Confederation began to unload its cargo of 95,000 tonnes of coal destined for the Ravenscraig steelworks near The coal is urgently needed to keep the steel works in production,

but dock workers, who are support-ing miners in their long-running strike over pit closures, are refusing to handle any coal shipments. A steel union official said coal

from the Ostia would keep Ravenscraig going for about a month, while BSC admitted that time was beginning to run out for the steel works. "The risk was very great. We

U.S. to rule on bearer

repackaging of issues

nat Revenue Service (IRS) have al-ready responded to the abolition of withholding tax by issuing new tax

rules covering government debt is-sues, the question of repackaged securities remains one of a number

The issue has been pushed into

the limelight by the passage, on Au-gust 10, of a non-hinding resolution by the Senate, which called upon the Treasury to act to the fullest ex-

tent possible under existing law to

Last week the Treasury, in an-

nouncing a series of measures, put off any decision on such repack-

aged issues, calling instead for pub-

would have run out of coal next

The drift back to work continued dockers are not due to meet until in the UK coalfields yesterday as more miners defied the leadership gust holiday travellers to cross the of the National Union of Minework-English Channel without disrupers (NUM). In Scotland, 154 miners were at work - two more than the previous day - while in the Yorkshire coalfield, which has seen some of the worst picketing vio-lence this week, 18 miners reported for duty, four more than on Wed-

Mr Ian MacGregor, the National Coal Board (NCB) chairman, yesterday offered working miners the op-portunity to receive the NCB's 5.2 per cent pay offer, outstanding since last November, by agreeing to work overtime in defiance of the

He has made a series of visits to NCB areas over the past week and has told area management and pit managers to inform men in the pits that are working that a resumption of overtime working will mean an instant rise worth £8.80, bringing the faceworkers' basic up to £137.10

Continued on Page 12 Editorial comment, Page 10; Trade balance figures, Page 12

lining the extent to which existing

vent the sale of such securities.

to whet foreign appetite Treasury bonds, Page 11

Madrid ready to negotiate with Eta leaders

By David White in Madrid

THE SPANISH Government has surprised the country's security forces by declaring itself ready to negotiate directly with the leadership of Eta, the Basque separatist orga-

The Interior Ministry yesterday confirmed a report to this effect in El Pais, the leading Madrid newspa-per, but said the Government was not prepared to discuss political

Any contacts would be restricted to obtaining a ceasefire and a surrender of arms in exchange for the future "re-insertion" in Spain of Eta militants willing to recognise the 1978 constitution.

The public suggestion of direct talks with Eta marks an apparent about-turn in the stance adopted by the Socialist Government since it took power in 1982.

Lt Gen José Sáenz de Santa Maria, head of the paramilitary Civil Guard, which has been the prime target of Eta's shooting and bomb-ing attacks, said before the official confirmation that he disbelieved the news.

"I think the Government will never negotiate with terrorist criminals," he said on radio, adding: "I believe a government ought never to negotiate with a terrorist organi-

The newspaper report said the Government did not exclude talking to Sr Txomin Iturbe, the man who

military wing and who is under sur-veillance in France.

Observers said the initiative might be linked to the French Government's decision earlier this month to deport the alleged second in command, Sr Eugenio Etxeveste "Antxon," to the Dominican Republic. Sr Etxeveste has been considered the most radical of the Eta leaders and the most strongly op-posed to negotiating with Madrid, While the Treasury and the Inter- lic comments within 30 days. It also made clear that any change in the whereas Sr Iturbe is generally believed to be more open to the idea.

The 40-year-old Eta leader, who

spent several months in prison in The Treasury, however, said yes terday that it would submit to Con-France in 1982-83, was moved in gress by September 1 a report out-January to the Touraine region away from the border area. He is law and regulations allow it to prenot among the 24 Basque militants whom Paris has sent to third countries. Wall Street investment bankers

Euskadiko Ezkerra, the left-wing have speculated that the Treasury Basque party that acted as an interwill be forced to issue further clarimediary under the previous Madrid government in obtaining a conciliafication because of confusion about the applicability of the new Internal tion deal with moderates in Eta's Revenue Service rules to repackpolitico-miliary wing, said yester-day that the proposal was interesting and constructive.

U.S. poised to delay textile import curbs

delay the introduction of its controversial curbs on textile imports after a massive lobbying campaign by the world's textile exporting countries and by U.S. retailers.

The new curbs were to have taken effect in early October but were brought forward to September 7 to placate the Administration's allies textile-producing areas in the Southern U.S. They have caused chaos in the Far East, with exporters scrambling to ship up to \$1bn of goods for the Christ-mas trade before the September

deadline. Many of the goods destined for the U.S. market were ordered before the announcement of the new U.S. rules which include increases in import duty and new country-of-origin stipulations. U.S. retailers have argued that if the September deadline is not changed, many importers will face serious financial loss on imported textiles no longer allowed into the U.S.

Several U.S. importers have already challenged the regulations in the Court of International Trade in New York.

While the Reagan Administration appears prepared to allow a tempor-ary delay in the introduction of the

THE U.S. Government is poised to is prepared to re-examine the whole question of the legality of the new rules, which have incensed Far

Eastern countries. U.S. textile imports jumped by 25 per cent last year and rose by another 41 per cent to 4.9bn square yards in the first six months of 1984. Imported goods account for more than a third of the U.S. market, with Taiwan, Korea, Janan, for 60 per cent of the total.

Those countries have been campaigning in the U.S. and abroad to try to change the Administration's attitude. Third World producers argue that the U.S. will be violating its commitment under the Multi-Fibre Arrangement (MFA), the world agreement that covers most international trade in textiles, if it introduces the new restrictions. The General Agreement on Tariffs and Trade (Gatt) has scheduled a special meeting to discuss the propo U.S. curbs for September 4 after protests from 28 Third World textile exporting countries.

The row is a serious embarrass-ment for the Reagan Administration and has allied Far Eastern manufacturing countries, U.S. textile importers and retailers, plus the agricultural lobby, against the Adrules, it is far from clear whether it

City Investing sells units for \$1.25bn

BY PAUL TAYLOR IN NEW YORK

CITY INVESTING, the diversified New York-based group, is to sell its Rheem Manufacturing subsidiary and its two main printing units. World Color Press and Uarco, to an investor group led by Kohlberg Kravis Roberts (KKR) and Merrill Lynch Capital Markets for \$1.25bn

earlier competing leveraged buyout ranked together as the sixth largest offers for the whole of the company. in the U.S., and the Motel 6 chain. City Investing had been due yesterday to announce its decision on counted for almost 29 per cent of its an earlier \$50 a share or \$2.3bn 1963 revenues of \$5.95bn and 35 per cash and securities management—cent of its operating income. City led leveraged-buyout proposal put Investing has agreed to reinvest forward by Merrill Lynch. That \$100m of the sale proceeds back in-originally involved Tamco Enter- to the newly formed company and

City Investing was also considerthe Miami-based financier who also owns about 9 per cent of the compa ny's stock.

Wall Street analysts believe that further asset sales are probable both by the acquiring group and possibly by City Investing. Under The agreement is subject to varthe terms of the agreement, City Inious conditions but provides the investors group with an exclusive op-tion to purchase the assets on sub-surance, a big property-casualty infore September 26. It replaces two group of house-building companies

The divisions it sold yesterday acd constructive.

prises, an investor group holding a to use the rest to repay debt and repurchase some of its shares.

Petrofina abandons UK overtime pay

sues at a discount as zero-coupon block the sale or resale in bearer obligations to foreign buyers in form of securities backed by U.S. bearer (unregistered) form, is one government issues.

of the key outstanding issues to emerge from the recent abolition of nouncing a series of mean

BY BRIAN GROOM, LABOUR STAFF, IN LONDON

with its 300 tanker drivers and de follow suit. pot workers which will abolish paid

It is a bold move for the overtimehungry UK, where a third of manual employees work an average of nine hours on top of their basic From September 1, Petrofina's

nanual distribution workers will be limited to a 37½ hour week. At present they work a 40-hour basic week plus an average of nearly 10 hours overtime at premium rates.

Petrofina will be able to require staff to work for up to 11 hours on any one day. If the 37%-hour, five-day week is exceeded, then the time

must be deducted from the follow-Some oil companies such as Petrofina and Mobil last tried to elimi-nate overtime in the 1960s. They eventually had to reintroduce it because of pressure from drivers for

PETROFINA UK, a subsidiary of enough safeguards to prevent that the Relgian oil company, has happening again. If it succeeds, oth-reached a radical productivity deal er companies may be tempted to

> Eliminating overtime will remove a disincentive to productive work ing in normal hours. Petrofina claims that staff were working inefficiently to maximise potential overtime. The deal includes improved work standards, such as faster running speeds.

psate for lost overtime, To compo basic pay will rise by up to 45 per

The deal will raise minimum earnings and pensionable pay. For an employee retiring after 37½ years' service, it will increase the annual pension from £5,000 to £7.000.

Jobs will be created. Six extra drivers have already been taken on. In future, peak workloads will be covered by using contractors and temporary staff, but permanent staff will be taken on if the peak is Petrofina hopes it has built in

BP corporate planning, Page 4

Setback at Novo Industri

aged government debt.

By Our Financial Staff

NOVO INDUSTRI, the Danish enzymes and pharmaceuticals group that has seen profits grow rapidly in recent years, has turned in an unexpectedly flat performance for the first half of 1984.

Net profits are DKr 329m (\$30.4m) against DKr 329m for the first half of 1983. Novo blames the setback on heavy start-up costs in Canada, stock problems and a sudden loss of sales to a big U.S. customer.

Last year the company per-formed strongly, to lift net profits by nearly half to DKr 784m, and step up the dividend from DKr 17 a share to DKr 20.

Sales rose by 25 per cent to DKr 3.36bn in total for 1983. So far in 1984, turnover is 12 per cent higher at DKr LShn, against DKr 1.6bn a year ago.

Lex, Page 12; Danish banking results, Page 15

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_ CONTENTS

Companies 15 Overseas 3 Britain 2

Companies 15 Lex..... Money Markets - London 13, 23-25

Management: BP corporate Lebanon: Israel in a Catch-22 Letters.....11

Falklands: "no hurry to Lex: Woolworth; Blue Circle; shake hands" 10 Cadbury; Exco; Novo 12 Editorial comment: UK Steel: Nippon and National U.S. Treasury bonds: bid to Liechtenstein;

Dallas: Republicans roll on UK: a union that marches on

whet foreign appetite 11 Survey5-8

THE



Honecker attends Romanian ceremony

By Lestie Colitt in East Berlin ALONE AMONG the leaders of Eastern Europe, Herr Erich Honecker, the East German Communist Party chief and President. attended yesterday's 40th anniver sary celebrations by independent minded Romania.

East European diplomats said Herr Honecker's gesture towards Mr Nicolae Ceausescu, the Romani-an President, in the absence of the other Communist leaders, under scored Herr Honecker's increasingly independent foreign policy which has come under sharp attack

East European leaders normally attend important anniversaries of each other's Communist takeover The Soviet Union, however, decided to send a lesser-known Politburo member to Bucharest, signalling to its allies that attendance at the ceremonies by party and govern-

ment leaders was not requested. China's President was in Romania for the anniversary, as Peking has long favoured Mr Ceausescu because of the resistance he offered to Moscow's policies in the past. Herr Honecker's visit to the Ro-

manian capital followed more than a month in which his warmer relations with West Germany have repeatedly been criticised in the So-viet media. The East German press again responded by reprinting praise from the Hungarian Com-munist Party for East Germany's dialogue with the Bonn Govern-

Turkish union leaders finally granted bail

that of the Turkish Peace Associa-

tion expected to be released within

the next week, it begins to look as if

There was speculation among

could pave the way for the release

ideological grounds - not least by the paper's staff - although it is ex-

pected to save the owner up to SKr

editor-in-chief, yesterday criticised the move as a "shameful" decision

which will "have consequences in

Stockholms Tidningen has been a

forum for public debate both within

the Social Democratic Party and

with the non-Socialist opposition,

whose views are often represented

Ironically, a national system of press subsidies has been unable to keep Stockholms Tidningen out of

by the conservative Svenska Dag-

the 1985 elections

"There is no alternative." said Mr

BY DAVID BARCHARD IN ANKARA

NINE LEADERS of Turkey's left-wing labour confederation "Disk" trade unionists and in the Internawere released from prison in Istan-tional Confederation of Free Trade bul yesterday after a surprise deci- Unions, especially in view of claims sion by a martial law court.

The trade unionists are all mem- they had been tortured. The release bers of "Disk's" central executive of the last prisoners in the case will committee and had been held in certainly ease Turkey's strained reprison for 43 months since the military ordered their arrest soon after nity. There was no explanation for

Some 533 members of Disk are charged with attempting to use the er most controversial political trial, the state. Death sentences are being demanded for 76 of the defendants including the chairman of Turkey may be trying to repair its Disk, Mr Abdullah Basturk. And poor image on human rights cases. the movement's secretary-general, Mr Pehmi Isiklar. right-wing groups in Ankara that The trial will continue, but the release of the Disk leadership

prospects of the defendants eventually being acquitted now much of Mr Alparsian Turkes, leader of stronger. All 533 are out of prison on bail.

and former Deputy Prime Minister, had provoked interna-a right-wing nationalist, he has

THE FLAGSHIP morning daily of Sweden's left-wing, Stockholms Tidningen, is applying for bank-

ruptcy today after three years of

The decision came after its

owner, the Trades Union Council

consecutive losses.

been held in a military prison since

There is, no prospect of a revival of radical left-wing unionism in by several of the defendants that Turkey in the near future. Union powers have been severely curailed by legislation introduced by the military and Disk was declared lations with the European Commuto have dissolved itself 18 months ago when its imprisoned leadership failed to hold the required number With defendants in Turkey's othof executive meetings on time.

• Gen Necdet Urug, Chief of Staff of the Turkish armed forces and the commander of the Gendarmerie, flew to eastern Turkey yesterday to inspect military operations against Kurdish guerrilla groups.

A crackdown against left-wing Kurdish guerrillas has been under way since August 15 when Kurdish insurgents attacked two separate gendarme posts nearly 125 miles apart. Two soldiers were killed and about 12 injured in the attacks.

Formaldehyde cover-up claim by union

THE West German trade union federation (DGB) has accused the Government of yielding to pressure from industry to cover up health hazards of the chemical formalde-

In a statement issued yesterday the DGB said federal health and environmental protection experts reported to Bonn earlier this year that the chemical could cause can-

But the DGB said the Labour, In-terior and Health ministers, under pressure from industry, had prevented an open discussion of the is-

rejected as "malicious" newspaper reports that it had sought to cover up evidence about formaldehyde Officials of the state prosecutor's office investigating a case of su-spected fraud have searched the offices and homes of several former senior employees of Deutsche Anlage Leasing (DAL), the troubled West German leasing concern.

Joint bid to boost Norway's growth

THE FEDERATION of Norwegian trade unions (LO) and the country's Federation of Industry (NI) - so of-ten on opposite sides when key political issues are being discusse

are to join forces in a drive to boost

domestic industrial growth.

They will seek to convince political leaders and other influential roups that such growth is essential if Norway is to maintain its high standard of living and avoid a lopsided economy excessively dependent on the oil sector.

They say that money must be found for industrial training and for investment in research and devel coment, as well as in new plant. Interest rates must come down to enourage investment.

A report by the two organisations on their aims for land-based industry marks the start of the LO/NI campaign. It sets the goal of in-creasing the value of Norwegian industrial output by 50 per cent, at constant prices, between now and the end of the century - equivalent to an annual growth rate of about 3 per cent

The report concedes that a strong Norwegian krone, low productivity and high investment costs - rathe than excessively high wage rates have been mainly to blame for the deterioration in the competitive position of Norway's industry over the past 15 years.

The trend of Norwegian hourly wage rates over this period was not "significantly different," it notes, from that in the countries with which Norway chiefly competes. A far greater problem - until the 1977 and 1978 devaluations - was the steady rise in the value of the

The LO and NI have agreed to follow up this initial survey with three joint reports. The first will map industry's investment and capital needs until the year 2,000, assum ing 3 per cent annual growth.

The second will attempt to analyse future trends in product devel

opment, markets and production processes, and to identify the areas in which Norwegian industry should concentrate its efforts. Finally, the two organisations will take a joint look at the political

Two bidders emerge for privatisation of Yarrow shipyard

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

TWO COMPANIES have emerged as competitive bidders in the privatisation of British Shipbuilders' Yarrow shipyard on the Upper Clyde, Scotland. Mr Robert Easton, managing di-

rector of the publicly-owned Yarrow Shipbuilders, released plans yesterday for a management/employee buyout of the yard, which specialises in building frigates.

Yarrow and Company, the pri-

vately run former owners of the yard, have also expressed an interest in buying the yard, since the Government announced its inten-tions last month of selling the warship yards to the private sector. Mr Easton said he had opened talks with management at the Hall

Russell shipyard at Aberdeen to encourage them to join his buyout scheme to enhance the range of shipbuilding that could be under-taken. Hall Russell builds patrol boats and smaller-sized craft.

Yarrow shipyard is one of the more successful British Shipbuilder's yards with a profit of £11m last year and a turnover of £99.6m. Mr Easton would not disclose the value of his buyout bid, although the asset value of the Scottish yard is estimated at £20.5m.

Mr Easton has encountered some esistance from trade unions at the shipyard which support overall union guidelines opposing privati-sation within British Shipbuilders.

He added that the buyout could not proceed without the 4,000 bluecollar workers joining 1,500 man-agement staff. Management plans to publish a broadsheet to staff explaining details of the plan.

Barclays Merchant Bank and Barclays Development Capital, which were involved in the manage ment/employee buyouts of the National Freight Company and Victau-lic, a British Steel subsidiary, are advising Mr Easton and his man-

Mr Easton said a number of Scottish financial institutions had been approached and the company was confident of raising the required amount of capital to buy the compa-

The yard has six ships under construction. It has built 10 of the 12 Type 22 frigates and been appointed lead yard to build the next generation of Type 23 frigates for the Royal Navy.

Mr Iain Mann, financial director of the Glasgow-based Yarrow contpany, said yesterday that the company wanted to see the prospectus on the shipyard before formulating

Under an expansion plan envi-saged by Mr Easton, Yarrow would also try to win submarine orders as well as other smaller orders, which gin, Mr Alan Fox, chief executive might go to the Hall Russell yard. | said yesterday.

Foden to build trucks for army

FODEN TRUCKS has mented a contract with the Ministry of Defence to supply 333 recovery was

cles to the British and. It is the largest order for the com-pany since it was purchased from the receiver in 1980 by the UE company, Paccar. The value of the order is still being negotiated.

over three years, will have Perkins Eagle engines and have a lifting co pacity of 25 tonnes: Foden has been fighting hand a improve its 4.5 per cent mans of the UK heavy truck market, to which

supplies custom-built high specifi-cation and high-cost trucks of M tonnes and above. The factory at Sandbatk, Ch.

ire, has a plant capacity of 130 vol. ctes a week on one shift, but the company sold just \$90 trucks to the UK market last year as well as a

This, however, represents con erable progress over the position when Paccar, which builds Kan worth and Peterbilt trucks in the U.S., purchased the plant for Eller. • Iveco UK, which imports vehicles produced by Fiat's truck-making subsidiary, will exceed last year's 62.7m pre-tax profit by a small mer-

Dublin told 'gas deal cancelled'

BY BRENDAN KEENAN IN DUBLIN A FORMAL letter from Mrs Mar- value of the dollar has since pushed Britain's request for a price cut of

garet Thatcher, the Prime Minister, to Dr Garret FitzGerald, the Irish Prime Minister, has put paid to any lingering hopes of saving the £500m project to pipe natural gas from Dublin to Belfast. The contents of the letter will not

come before the Irish Cabinet until next week, but no one disputes thatthe letter confirms an earlier message from Mrs Thatcher in which she said the deal would not be commercial under the existing terms.

Dublin has refused to move from the original terms agreed last October in a memorandum of understanding. This involved a price of the price to over 30p per therm. The British Government is con-vinced that only a price below 20p

Dr FitzGerald wrote to Mrs Thatcher when the project first ran into difficulties and pointed out the adverse effect of public perception of Anglo-Irish relations in Northern Mrs Thatcher pointed to recent

studies which suggested that the gas would be uncompetitive with coal in the later years of the 25-year project just when it would need to ke surpluses to cover the expected £150m investment. Dr FitzGerald took the view that

almost 50 per cent was unreasonable. He repeated that the political benefits of such an important cross In her letter, delivered by the British ambassador to Dublin this

week, Mrs Thatcher is unders objections to the deal. The loss of the project is a blow to the Irish republic, which could have

expected to earn 120m a year from gas sales to Northern Ireland It at so calls into assisting the some in cross-border cooperation, with both

WORLD TRADE NEWS

Record European sales forecast for revamped Kadett

Japanese monopoly prepares for tobacco war

By Yoko Shibata in Tokyo

THE JAPAN Tobacco and Salt Public Corporation, which will be privatised next year, has unveiled measures to meet tougher competition from foreign tobacco makers such as BAT of Britain and Phillip Morris and Reynolds of the U.S. after the decontrol of tobacco imports next April.

The measures call for cuts in The measures call for cuts in its local offices from 300 and redundancy for 3,000 of its 9,000

workers. Japan, with a 30m smoking population, is the world's third largest tobacco market. Earlier this month a Bill was

enacted to place the 80-year-old corporation under private management from next April des-pite vehement opposition by domestic tobacco farmers.

The new Japan Tobacco
Industry Company will continue to monopolise production
and purchase of the entire
domestic tobacco crop from
100,000 Japanese farmers and will be financed 100 per cent by

the Government,
However, decontrol of foreign
tobacco imports marks a significant step. The tight monopoly has been the subject of U.S. criticism over the past few years. Until several years ago, only 10.000 retail outlets were only 10,000 retail outlets were licensed to sell foreign tobacco and cigarettes. The foreign market share has been held down to 1.3 per cent.

After negotiations with the U.S. in past years, the number of sales outlets for foreign tobacco and cigarettes has been increased to current 70 600 and

increased to current 70,000 and the tariff on imported tobacco lower from 90 per cent to the current 20 per cent.
However, after next April's
decontrol all 260,000 tobacco re-

tail outlets will be able to sell foreign tobacco and eigarettes. Foreign tobacco companies have started moving branches from Hong Kong to Tokyo, or forming joint ventures with Japanese trading companies to expand their market share to 5 per cent over the next few years and, eventually, to 30 per cent.

On the other hand, the new Japan Tobacco Industry Com-pany, a mammoth group which sold 30.6bn cigarettes in 1983, bigger than Reynolds, will encounter intense competition. This is because the new com-pany has to continue to buy the entire domestic leaf at a price three times higher than inter-

Bo Toressen, Secretary of the So-cial Democratic Party. "We simply do not have the resources." He (LO) and the ruling Social Demo-cratic Party (SAP), refused the newspaper's request to cover an exadded that neither advertising revepected SKr 16m (\$1.9m) loss for nue nor circulation had met expec-The decision will leave the left-Mr Sven Andersson, the paper's

Losses close Sweden's

left-wing newspaper

wing without a voice among Stock-holm's morning papers, although the LO/SAP partnership will continue to operate a series of other leftist papers around the country. The LO's troubled afternoon tabloid in Stockholm Aftonbladet, will also

stay open.

The morning paper, with a paid circulation of about 32,000, had already lost SKr 23m since it was revived in late 1981 during the run-up to the national elections which returned the Social Democrats to

power. The decision to seek bankruptcy rather than attempt a gradual

pankruptcy, although it is instrumental in the continued existence

Kenneth Gooding examines the likely impact of GM's latest Opel/Vauxhall model

GENERAL MOTORS is to replace its best-selling model in Europe, the Opel Kadett/ Vauxhall Astra, next month and expects to sell 550,000 next year—a record for any car in Europe.

The top-selling cars in Europe last year were both competitors for the Kadett: the Volkswagen Golf had sales of 442,293 while the Ford Escort had 433,793 registrations. The old Kadett/ Astra took third place with 390,375 and its sales peaked at 405,000 in 1982.

at 405,000 in 1982.

Opel, the West German group which is responsible for GM's car development in Europe, invested DM 1.5bn

which has an entirely new-and much more aerodynamic -body but uses the same mechanical units as its pre-

mechanical units as its pre-decessor.

GM also spent £50m at the Ellesmere Port on Mersey-Vauxhall assembly plant at side in the UK to put the new car into production, preserv-ing 5,069 jobs there which at one time the unions believed to be threatened. to be threatened.

The Chevette which was produced alongside the old Astra has gone out of pro-duction leaving Ellesmere Port as a single-car facility. If GM's forecasts are cornext year would rise to over 1.3m, taking its market share above 12 per cent. At the end of 1982, GM's share was only 9.6 per cent and it had risen to 11.6 per cent by the end of the first half of this year following the launch two years ago of its mini car, the Spanish-built Opel Corsa/ Vauxhall Nova.

Between 40 per cent and 45 per cent of next year's output of the Kadett/Astra will go to the West German mar-

got to the West German mar-ket. GM also expects to im-prove substantially its sales in Italy, France and Spain in Italy, France and Spain following the launch. In Britain, Vauxhall has forecast sales of 98,000 new

Astras next year (against 62,570 of the old models in 1983) and says it will boost total car sales to 334,000 (262,141 in 1983) for an 18.8 per cent market share, up from 14.6 per cent last year and the forecast 16 per cent for 1984.

The Kadett/Astra accounts for about 35 per cent of GM's European car sales and is in the biggest sector of the marthe biggest sector of the mar-ket, one which takes 33 per cent of total registrations. Next year the new models are forecast to stay well ahead of GM's Opel Auscoua/Vaux-hall Cavalier range whose sales are expected to be about

will be produced at Bochum in West Germany and Antwerp in Belgium as well 25 Ellanere Port. Engines, modified to give improved performance, will come from GM plants in Ger-many, Austria and Australia. Transmissions will be made in

France by GM with some input by Isuzu, GM's associate in Japan. GM pulled forward by one year the introduction of the new Kadett/Astra, which was only five years old, so as to

take advantage of new pro-duction techniques—includ-ing the so-called modular

system where key elements such as the cockpit and doors are assembled away from the moving assembly line.

The new techniques will enable GM to launch ail 17 versions (involving five body shapes, five engines and four transmissions as well as five different levels of trim and equipment) at the same time and to build output up to full capacity within eight weeks instead of several months.

Prices will be announced nearer the time the cars go on sale: September 22 on the Continent and October 17 in

Britain. Opel results, Page 15

How the challenge is being mounted for a bigger market share Mr Fleming says the new deal riding on the new Kadett/ Astra will boost Vauxhall's Astra. And for the most part total car sales to 334,000 next total car sales total car sale THE BALANCE of power be-tween the leading West Eurosystem, however, Fiat Saab and Alfa Romeo will shortly begin production of top-of-the-range

pean car producers changed funpean car producers changed fun-damentally two years ago when General Motors began produc-tion of its "S" car, sold as the Opel Corsa or the Vauxhall This took GM into the small

car sector for the first time, boosted its production capacity in Europe by 25 per cent, and launched the "world's largest automotive group into Spain—where the "S" car plant is located. Since then the European car makers have watched with increasing alarm as GM's share

of their market has soared from 9.6 per cent at the end of 1982 to 11.6 per cent for the first half of this year. GM believes it can build and sell 550,000 new Kadett/Astras next year, putting the car far ahead of the nearest competi-

If all goes to plan, GM will sell more than 1.3m cars in Europe next year and push its market share well above 12 per

cent. GM has already overtaken Renault and next year could move ahead of the Peugeot-Citroen-Talbot group and even Volkswagen-Audi to be in close contention with its arch-rival Ford for second place behind Fiat in the European sales league.

Demand for the old Kadett showed few signs of fading but GM wanted to take advantage of new production technology as fast as possible, so the old Kadett's life was shortened from six to five years.

models using the modular approach. under the modular system, workers can put the cockpit together while it is stationary

rather than the usual process where they have to lie on their backs on the car floor to instal dashboard and other com-ponents while the car moves down the assembly line. When the cockpit has been put together it is taken by robo-carrier, guided by under-floor wiring, first to a computerised electrical fault-finding centre

and then on to the assembly

Astra doors which are removed And to from the body after initial con-

struction and painting.

Their removal eliminates a major source of production line congestion and inconvenience while cars are being kitted out with interior components and fittings. Computer control of the whole assembly process should ensure that the doors are ultimately returned to the right car.



The new Vauxhall Astra GL hatchback.

only 12 bolts are then required to put it into place and it can be simply plugged into the car's main electrical wiring system.

The process is made even cockpit and testing it in the new way, GM can offer customers many more electronic optional Kadett/Astra. And these are highly-profitable

capacity in only eight weeks where, with old-style assembly, it often took as many months. The group will also be able to introduce all versions (17 of them) at once, including top-or-the-range and sporty models which companies usually launch six to 12 months behind the The new system also the range and sporty models eliminates many of the traditional bottlenecks in car six to 12 months behind the assembly and smooths out the intitial introduction and after flow of the production lines. the workforce has gained the workforce has gained enough experience to deal with

However. Opel's executive many people will be attracted director finance, Mr Richard into showrooms to moon over the mouthwatering, 126-miles-in the European car markets are an-hour sports version but an-hour sports version but eventually will settle for more mundane models. Without the sports version to bring them in, the potential customers might never cross the showroom

Mr John Bagshaw, Opel's executive director, sales, service and parts, insists that the new Kadet will do much better than the old one in West Ger-many—which should take 40 to in Kadett sales in Italy and

Trance," he says.
The new model should also reinforce GM's entry into Spain where the Corsa so far has failed to live up to the group's best expectations because it proved to be too up-market and over-priced for Spanish taste. In Britain, Mr John Fleming, Vauxhall's chairman, maintains he will sell 98,000 new Astras next year compared with 62,570 flow of the production in the should cut costs, make the enough experience to deal with next year compared with the top-quality versions. In different circumstances, enough experience to deal with next year compared with the top-quality versions. In 1983, enough to put the model in seventh place in the top-selling cars list last year. The key technique GM is in different circumstances, enusing is the so-called modular able GM to make more profit.

This pleases the GM marketing team which expects that top-selling cars list last year.

per cent in 1984.

At that point GM would be neck-and-neck with BL's Austin Rover in the race for second place behind Ford in the British market.

Most of the Astras will be assembled at the Ellesmere Port plant on Merseyside which has been equipped for the modular production system.

The new Kadett/Astra is a vitally important model for Vauxhall because its introduction justified considerable investment at Ellesmere Port and will protect more than 5,000 jobs there.

The British unions were concerned for some time about the future of the plant and what

of the plant and what would happen when output of the old Chevette ended. GM continued with the Chevette until a few months ago.

The Chevette is a loss to Britain because its UK content was more than 90 per cent by 45 per cent of total output— was more than 90 per cent by and the Netherlands. And it ex-factory value. The new will produce "a quantum leap Astra's content is only about 55

per cent but still qualifies as a "British" car.
Opel will produce the new Kadett at Bochum in West Germany and Antwerp in Belgium
each plant having an annual capacity of around 280,000 but

narket share, up from 14.6 per ent last year and a forecast 16 of apprehension it arises because of the styling of the new car which is far away from the steck-and-neck with BL's Austin lover in the race for second lace behind Ford in the string team attempted with market.

Mr Bagshaw, giving the salesman's view, insists that the styling of the new Kadett will help change Opel's image in Germany from being a pro-ducer of mundane, value-formoney vehicles.

Mr Bagshaw has drawn up a promotional campaign for the new Kadett/Astra which will follow a common theme in every European market—a theme aimed at imparting a sporty, dynamic image, not only for the new car but also for Opel and Vauxhall.

If GM is right about the new Kadett/Astra and does sell 1.3m cars in Europe next year that should bring in a substan-Antwerp also makes the "J" Kadett/Astra and does sell car (Opel Ascona/Vaurhall 1.3m cars in Europe next year that should bring in a substantial profit after several lean keep GM's engine plants in years when the group suffered recoverable oil. Most oil fields in the South-east Asign region are small by world slandards. The new car will also neep to the plants in years when the group suffered recoverable oil. Most oil fields in the South-east Asign region are small by world slandards. The new car will less than 30m parters of recoverable oil. Most oil fields in the South-east Asign region are small by world slandards. The new car will less than 30m parters of recoverable oil. Most oil fields in the South-east Asign region are small by world slandards. The new car will less than 30m parters of recoverable oil. Most oil fields in the South-east Asign region are small by world slandards. The new car will less than 30m parters of recoverable oil. Most oil fields in the South-east Asign region are small by world slandards. The new coverable oil fields in the South-east Asign region are small by world slandards. The new coverable oil fields in the South-east Asign region are small by world slandards. The new coverable oil fields in the South-east Asign region are small by world slandards.

National curbs 'stifle **EEC** trade in services'

By Our Trade Editor TRADE IN services is the "Cinderelia" of the EEC's development, even though the Community accounts for 36 per cent of world invisibles' experts cent of world invisibles exposts and has an annual surplus of \$4.7bn, according to Herr Karl-Heinz Narjes, EEC Commissioner for the internal market. National restrictions on internal trade in transport, insurance, banking and com-

insurance, banking and communications were stanting the EEC's growth potential in this increasingly important sector.

Writing in the latest issue of The World Economy, a quarterly published by the Trade Policy Research Centre, the Commissioner argues that these and other barriers were blocking the political goal of European unification.

"There is no decision that could not be taken within 24 months if governments were to display the same decisiveness and willingness to make constructive compromises as they showed in the Community's early years."

Without a free market in home products, especially high-technology goods, EEC industries could not hope to compete worldwide, he says.

Be vigorous use of the less to

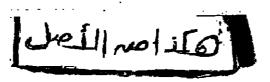
worldwide, he says.

By vigorous use of the law in the last three years to fight internal protection and subsidies, the Commission had succeeded in preventing "a serious outlinesk of protection. serious outbreak of protec-tionism."

Malaysia may offer flexible oil sharing PETRONAS, the Malaysian

PETRUNAS, the malaysus national oil company, celebrating its tenth anniversary, said yesterday it was considering offering better production sharing terms to attract foreign oil companies to indertake oil companies to undertake exploration work, Wong Suleng reports from Kuala Lampur.

Datuk Rastam Hadi, Petronas managing director, said what the company had in mind was to offer flerible sharing terms which would vary according to the size of the oil and. Currently foreign oil contractors may keep up to a maximum of 41 per cent of the oil. They say this is not attractive enough for them to develop new fields with less than 30m barrels of recoverable oil. Most oil fields



Mojahedin condemns S. African **Tehran rail-station** bomb killings

BY KATHLEEN EVANS IN ABU DHABI

AT LEAST 18 people were killed and more than 300 wounded, some critically, when main railway station in Tehran

yesterday.
The bomb went off at 8.50 am, not far from the entrance to the station. The terminus is the main exit point for troops leaving for the southern war-front with Iraq, though it is not known whether there were any troops among the dead and

The station was cordoned off later by nervous Revolutionary Guards, shooting their gun into the air, observers said. The area was devastated by the blast and covered with broken glass, wrecked cars and squashed fruit from nearby street stalls.

Two obscure dissident groups claimed responsibility for the blast. But the explosion was strongly condemned by the Mojahedin, the leading opposi-

Arya a monarchist faction based in Los Angeles, was the first to say that it had carried out the explosion. A man saying he was speaking on its behalf told an international news agency: "We want (Ayatollah) Khomeini (the flews agency. We want (Ayatollah) Khomeini (the Iranian leader) to remember our name and stop killing our people." He added: "We will

Another group, hitherto un-known, calling itself the "Unit of Martyr Kalaghi" said that it was behind the attack.



Avatollah Khomeini

the Mojahedin called the attack "a blind action of no use in our fight against Khomeini." The movement says it re-nounced violence in favour of political and social action two

years ago.

Iranias on the spot were reported to have blamed the Mojahedin yesterday but Radio Tehran confined itself to describing the explosion as the work of "agents of inter-national arrogance."

It suggested that it was timed to distract attention from Government victories over Kurdish dissidents in the Another group, hitherto unmorth-west of the country, and
mown, calling itself the "Unit
of Martyr Kalaghi" said that
t was behind the attack.
In Paris, a spokesman for Rajai; then
Prime Minister, in 1981.

Moscow boosts navy presence in Red Sea

THE SOVIET Union appears to be strengthening its naval presence in the Red Sea as the international hunt goes on for mines in the region.

A Russian helicopter-cruiser and destroyer arrived in Port Said on Wednesday and are thought on their way to South Yemen where the Soviet Navy has base facilities.

The Russians are believed to have three mine-sweepers operating near the mouth of the Red Sea in the Babel-Mandeb waterway where a number of explosions have occurred. tified the Russian helicopter-

in the 1960s, and equipped submarine detection.

Jane's Fighting Ships says Union fleets.

The Soviet Union has said sophisticated sonar equipment. little about the explosions in the Gulf of Suez and Red Sea

work. It was possible the Russian vessels were on routine transfer to the Soviet Union's Pacific Fleet, he added.

At least two Russian ships have been hit in the Gulf of Suez and Red Sea. A Soviet Gulf of Suez and Red Sea, and Italian minesweepers are expected within a week. The encounter a mine just south of Dutch are also understood to the Suez Canal in the Gulf of have pledged assistance and are Russian trawler was hit in the Red Sea.

The Soviet Union has close that the U.S. is using the episode as an excuse to extend its influence in the region.

Meanwhile, British, French and U.S. mine-hunting and clearing efforts are continuing in the Gulf of Suez and Red Sea, and Italian minesweepers are expected within a week. The Dutch are also understood to have pledged assistance and are now preparing to send nine clearing vessels.

British and U.S. naval units have identified a number of

Mines inquiry ordered Prime Minister, has ordered an investigation into manu-facture and export of mines over the past 12 years, Alan Friedman reports from Milan. This follows suggestions re-cently that the mines planted in the Red Sea and Gulf of Suez may be of Italian origin. Since may be of Italian origin.

A Government official said
last night that since 1972 only
12 licences had been awarded
to Italian companies to manufacture and export mines.
None of the mines were
exported to countries bordering the Gulf of Suez or Red
Sea.

sophisticated sonar equipment.
But the official said such the Gulf of Suez and Red Sea equipment was not necessarily except to add its voice to suitable for mine detection suggestions by Libya and Iran work. It was possible the that the U.S. is using the Russian vessels were on routine episode as an excuse to extend its influence in the region.

Red Sea.

The Soviet Union has close relations with Libya which is being blamed for laying the mines. The Libyans use Soviet-supplied military equipment. Both Libya and Iran deny laying the mines.

The Suez Canal and its southern approaches are a vital strategic waterway for the Russian Navy which maintains a large presence in the Indian and Pacific Oceans. There is frequent movement between the eastern and western Soviet

British and U.S. naval units have identified a number of mine-like objects on the sea bed, but as yet none of these has turned out to be a mine.

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Ministers call poll acceptable

By Jim Jones in Johannesburg SOUTH AFRICAN Cabinet Ministers yesterday said the 30 per cent poll at Wednesday's coloured elections was acceptable, while doubts grew about how representative the elections had been.

In some areas, particularly the Cape peninsula, average polls of significantly less than 10 per cent were recorded, while in some of the more remote rural districts more than the statement of t than half the registered voters cast their votes Minister of Constitutional Development and Planning, Mr Chris Heunis, said the percentage vote was "satis-

rattory "
The pattern of voting was predictable. The Cape Peninsula, where coloureds have a long record of political activism and which was the focus of the anti-vote campaign of the United Democratic Front (UDF), whole-heartedly turned its back on the elections

However, the overall poil in cape Province reached 25.8 per cent boosted by higher turnouts in the eastern and northern parts of the

province.
In Natal, only 22.9 per cent
of eligible voters voted, in
Transvaal 38.8 per cent and in
Orange Free State, where
political activity is minimal,
58.5 per cent of registered
voters went to the polls.
Leaders of the Labour
Party which won all but four
of the 80 seats in the
Coloured parliament, said
before the polls that they
would consider a 30 per cent
turnout to be a positive would consider a 30 per cent turnout to be a positive mandate for participation in the new political system. The opposition UDF claimed, however, that the low turnout represented a clear victory for the boycott

forces.

Indian voters go to the polls next Tuesday to choose their parliamentary represen-

Talks resume between IMF

and Zimbabwe By Our Harare Correspondent

By Our Harare Correspondent
THE GOVERNMENT of
Zimhahwe and the International Monetary Fund have
started talks in the hope thata payment of SDR 125m of
the country's suspended IMF
standby facility will be
released, Dr Bernard Chidzero, the Minister of Finance,
has announced.

In an interview here yesterreport by the Financial Times last week that the payment had been withheld because Zimbabwe had exceeded the deficit ceiling prescribed by the IMF. He described the IMF action as a temperary suspension.
He said negotiations had

He said negotiations had started on the possible resumption of the programme, or for a new ont. An agreement between Zimbabwe and the IMF for SDR 300m was signed last year, to help the country overcome pressing foreign debts. Only SDR 175m had been drawn by early January. The following month Dr Chidzero produced a surprip: supplementary estimate to fund pay rises, and defence spending. The increased spending. The increased the size of the budget deficit to Z\$74\$m (£440m) well over the ceiling agreed with the Fund.

Fund.
Dr Chidzero admitted that the unavailability of the standby facility had made matters "a bit uncomfortable." but he was confident that Zimbabwe would not default

Reginald Dale reports from Dallas on the sentimental double act of the Reagans

Spectacular pizzazz by two Hollywood vets'

THE FIRST couple of the U.S. has called on years of experience to parade seemingly effortless star quality in front of delighted Republican fans in Dallas this week.

As Mr Reagan was triumphantly, and predictably, re-nominated by his party on Wednesday night for another wednesday night for another four years in the White House, the President and his wife produced a double act that was both polished and sentimental, but above all lighthearted. "Spectacular pizzazz by two Hollywood veterans," said one impressed local TV commen-

Mr Reagan, who has recently been in mild trouble for an off-the-ruff joke about "bombing Russla," showed no sign of repentance about his flippant habits. As Missouri delegates pushed the voting tally for his re-nomination over the top, Mr Reagan, who had been watching the proceedings on television in his hotel suite, kissed his wife for the cameras and exclaimed. with mock relief: "We've been sweating this out and we finally made it." Asked if he planned to accept the nomination, Mr Reagan replied: "I guess so." The scene was relayed to the downtown convention centre via a giant closed circuit TV screen behind the podium on which Mrs Reagan had appeared

only a few minutes before at the end of a special filmed tribute to her as First Lady. While the film was dismissed as "yukky" by one European

cynic in the press gallery, there were not too many cynics on a convention floor that had been turned into a riotous red, white and blue festival of campaign signs, funny hats, balloons and marching, patriotic band music. The film of Mrs Reagan

Admiral

named as

Petrobras

president

ADMIRAL Thelma Dutra de Rezende has been named as the new President of Petrobras, the Brazlian state oil company. He replaces Sr Shigeaki Ueki, who resigned abruptly five weeks ago for reasons which have still not been publicly disclosed.

The choice of the 59-year-old admiral to head one of the most powerful institutions in Brazil, responsible for the fast-growing

domestic oil production pro-gramme as wel las being the country's leading exporter, came as a surprise.

Although he has served for

The judgment in oil industry

to run an industry of strategic national significance.

His long-standing personal

the Minise and Energy Minister, to whom Petrobras is nominally responsible, is also a former military man were probably decisive factors in the choice

of the admiral over other

favoured candidates from within

In practice, Admiral Rezende

may prove to be only a stop-gap head of Petrobras, as his

post will no doubt be reviewed

by the incoming government which takes office next March.

The likelihood is, therefore, that pressing decisions on new

investments in oil production facilities in which foreign com-

panies play a major part will be deferred for the moment.

the oil company.

the past four years as transport director for Petrobras, Admiral

or of business management.

By Andrew Whitley in Rio de Janeiro

began with shots of her as a haby, included clips from her 11th and last movie, Hell Cats of the Navy in which she starred with her soon-to-be husband just before their marriage, and ended with crooning by Frank Shatty Accepting the tribute sinatra. Accepting the tribute, she brought the faithful to their feet with an appeal to "make it one more for the Gipper." It was a paraphrase of what is probably Mr Reagon's most famous movie line, deli-vered in thesevreen role of a famous, dying American colegefootball star, Mr George Gipp. Mr Reagan promptly appeared on the giant screen, cheerfully

waving to his wife and their

the mood of the American people under Mr Reagan's leadership. The Democrats, under Mr Walter Mondale, have been constantly dismissed in the last few days as "whining and

roation I shirts

vice rresident George Bush admire gifts of

The popularity of what the Republicans see as a new con-servatism was repeatedly underlined by the speakers who warmed up the crowd for Mr Reagan's nomination by roll call vote of the states.

last convention appearance as an elected official—he is to retire from the Schale in two years' time. While Mr Goldwater was

respectfully received, his tough speech on U.S. military policy fell short of winning the rapturous recognition he has someparty in the past.

call vote of the states.

Senator Barry Goldwater of Democrats for "saying nicer Arizona, now 75, was given a things about the Soviet Union

Democrat presidents. his audience by repeating the most controversial statement of his 1964 campaign for the White House when he said that "extremism in the defence of liberty is no vice." He repeated his own 1984 campaign slogan, this time on behalf of Mr Reagan: 'In your hearts, you know he's right." The Reagan White House, it was understood afterwards, was not totally thrilled by the suggestion that Mr

A more sweeping and force-A more sweeping and interful speech came from Senator Paul Laxalt of Nevada, who officially placed the name of Ronald Reagan in nomination. It was the third time that Mr Laxalt, Mr Reagan's "best friend" in the U.S. Senate has done on

The "once great " Democratic its roots and noble traditions and sunk into the "quicksand of liberalism." The Democratic fect example of the relaxed selfconfidence and optimism that country's new right-wing tilt—
the Republicans believe reflects after he failed disastrously in
the mood of the American his own White House bid 20
people under Mr Reagan's years ago. It was probably his out of touch with America.

The Democratic Party, he said was "now the home of the special interests, the social welfare complex, the anti-defence lobby, and the glitter-set, lighter-than-air Liberals — and it's getting worse every year.' That is a fair sample of the times been accorded by the campaign rhetoric that the party in the past. nicer months. grounds for finding fault with it is that nothing has more reaving to his wife and their prized prime time speaking spot than about our own military it is that nothing has more re-oplauding audience. in recognition of the founding services," and recalled that sembled the glitter-set than the The performance was a per-role Republicans regard him as every American war this cen-Republicans in Dallas this week.

Mexico orders audit on state companies

BY DAVID GARDNER IN MEXICO CITY

THE MEXICAN Government is corruption. to commission an external audit The move follows the on some 700 state companies announcement earlier this and government offices as part month—almost buried under of a bid to tighten up on efficiency and financial stringency in the public sector.

The audits, which will include the nationalised banking system and be for this fiscal year, will also inhibit corruption. This is still a major problem in Mexican public life, although the govern-ment of President Miguel de la Madrid's "moral renovation" campaign has undoudtebly lowered the threshold of

the landslide of 16 announced sectorial five-year plans—of a "programme for administrative simplification." announced sectorial reveyear ample, contained it full length plans—of a "programme for administrative simplification."

This is designed, ideally, to eliminate some of the misery of dealing with a bureaucracy universally recognised as obtuse, corrupt and inefficient.

The correct bureaucracy ample, contained it full length misisterial speeches.

Meanwhile, the Institutional Revolutionary Party (PRI), which has governed Mexico virtually unchillenged for 55 years, was due to begin its 12 national congress here yester-The Government has set up day,
a post box system for citizens
to send in criticisms and suggestions as a way of monitoring newal as its theme, has been

ample, contained 11 full length

progress. The programme appeared to have got off to an inauspicious start for many observers, however; the Press when PRI's prestige has sunk to an appear of the progress. observers, however; the Press when PRI's prestige has sunk handout announcing it, for ex-

In the short term, the ruling party faces little serious elec-toral challeneg and its powers PRI leaders are concerned, howfor the party through the introduction of more democratic selection procedures which they hope will throw up natural

Transport strike

threat to Pope's

Toronto visit

By Bernard Simon in Toronto

TORONTO'S 7,700 public trans

Managua alliance loses legal status

BY TIM COONE IN MANAGUA.

THREE OPPOSITION parties in Nicaragua which failed to regis-

ter for the November general elections have lost their legal Rezende has no previous experience of the oil industry status as parties. The decision, taken by the National Committee of Political Parties, formalises the status of the three Right-wing parties which excluded themselves from circles yesterday was that he is a "military appointee" named the electoral campaign by their failure to register their candi-dates with the Supreme Elec-toral Council, in accordance friendship with General Joso Figueiredo, Brazil's President, and the fact that Sr Cesar Cals,

with the electoral law, before

Christians, the crats and the Liberal Constitutionalists, are part of an alliance known as the Co-ordinadora Democratica (CD), an umbrella organisation which includes an important part of the private sector and two Right-wing trade

union federations.

The CD had insisted on the government opening a dialogue with the U.S.-backed guerrillas seeking to overthrow the Left-wing Sandinista government before it would agree to partici-

part of its electoral programme and fight the elections on that basis, a challenge which CD did not take up.

The loss of legal status by the three parties means that they cannot now hold public metings or make public declarations in relation to the electoral campaign. They can, however, con-tinue to exist as political group-

ugust 4. The government responded National Asse
Thre three parties, the Social by suggesting that CD include November 4.

port workers have voted to begin an indefinite strike on September 12, threatening to plunge the city into chaos two days before the arrival of Pope John Paul. The strike, if it goes ahead, ings and their representation in the Council of State, the country's legislative body, continues unaffected until the new National Assembly is elected on

area during a four-day transport stoppage in 1978. The workers have rejected a 5 per cent pay increase in two separate ballots. Nonetheless, mediation efforts are expected to be stepped up as the strike date approaches. A Roman Catholic cardinal has offered to

Bank team on Chile fact-finding visit BY MARY HELEN SPOONER IN SANTIAGO

A TWO-MEMBER delegation from Manufacturers Hanover Trust, the U.S. bank heading Chile's debt renegotiating comfor whta they describe as a factfinding visit.
Chilean officials say the mission marks the beginning of talks to reschedule \$7.23bn (£5.56bn) in foreign debt fall-

debt due this year and last Sr Modesto Collados, Economy Minister, said recently that Chile would propose that its debt repayments should amount to no more than 25 per cent of the country's exports.
Officials of General Pinochet's government have also said Chile will seek \$1.5bn in new commer-

Chile has already renegotiated \$3.4bn of its \$18.6bn foreign cial loans next year, nearly double the \$780m borrowed to cover its external accounts this The International Monetary

Fund full delegation to Chil in October and bankers in Santions concerning Chile's 1986-83 debt schedule are unlikely to begin before the latter part of

will bring Toronto's entire bus and subway network to a halt. one of the most efficient in North America, is used by about 1.5m daily commuters who will have to walk or use cars and bicycles to reach their workplaces. Traffic congestion paralysed the city's downtown

act as a mediator in an effort to ensure that the transport system is operating when the Pope vitts Toronto for an out-door mass on September 14. The mass, at an airfield north of the city, is expected to draw about half a million people.

Mongolian **President** replaced

MOSCOW-Mongolia's President Yumzhagin Tsedenbal, in power for the past 32 years, was replaced yesterday at a meeting of the republic's ruling Communist Party, the Soviet news agency Tass reported from Ulan Bator.

The party Central Committee had released Mr Tsedenbal, 67, from his post for health reasons, it added. He had been replaced as Communist Party chief by Sri Lanka's minority Tamil Prime Minister Zhambyn Bat-munkh.

Tass said the decision to replace Mr Tsedenbal had been put in direct charge of operations in Jaffra, the Tamil stronghold in the North, followsession of the party's central committee, indicating that the change of power had been decided at relatively short notice.

session of the party 5 central and with session of the party 5 central attacks by security forces of civilians and of the army and police refusing to deal with bank raids.

The meeting had expressed praise for Mr Tsedenbal's work during 40 years in the top ing investigation of allegations echelons of the party and of a rampage in one village. voiced deep gratitude . . . for his outstanding services

These formulations appear to These formulations appear to bank ratus in the control of the past two weeks, beindicate that Mr Tsedenbal, who has been staunchly loyal to cause they fear they may walk has been staunchly loyal to cause they fear they may walk have been in Sri Lanka for several months and had so into a trap set by the extremists.

Meanwhile, there is an active far trained about 90-100 was not in pointical disgrace. was not in political disgrace. When Premier Khorlogin Chorbalsan died in 1952, Mr Tsedenbal succeeded him. He Tsedenbal succeeded him. He Prime Minister, ordering an intook the title of President of wasion of the northern part of the island to help the Tamils.

The presence of the Israelis ber in the national parliament, is causing considerable political too to regional interests.

Sri Lanka tightens control over army

BY JOHN ELLIOTT IN COLOMBO

time when senior Ministers believe that progress is being

ing widespread allegations of

Thirty-three soldiers have been confined to barracks pend-

The security forces have arrived several hours late at two bank raids in the city of Jaffna debate in Sri Lanka about fears of Mrs Indira Gandhi, India's gence work.

ment is trying to strengthen Mr Lalith Athudatmudalia, the the control of its security forces Security Minister, said that time when senior Ministers. Security Minister, said that there was "tremendous appre-nension" among the island's Sinhalese people, who live in the South, that Mrs Gandhi might invade.

He also denied that the army and navy forces had caused The army's top general has damage to towns such as Velcet-een put in direct charge of titural, on the north coast, other than in battles with the extremists.

The only army rampage that the Government is admitting is at Mannar, on the north-eastern coast, earlier this month, where Muslims as well as Tamils died. Ministers are anxious to calm the local Moslem community. More than 340 people have been dismissed from the army and navy for indiscipline in the

past three years. Mr Athudalmudalia admitted that Israeli intelligence experts security personnel in intelli-

in the Government. This is specially significant because the involvement of Israel so close to the southern tip of India is aggravating relations with Mrs Gandhi.
The Minister also admitted

Like most Ministers and other political leaders, he believes that the majority of the Tamils will abandon calls for separa-tism if they are given sufficient

devolved power.
Yesterday, he said that good progress was being made on discussions for a second cham-



President Jayawardene

that former British Army pering servicemen in armed combat near Colombo.

Rama Rao threatens six-day agitation

8Y K. K. SHARMA IN NEW DELHI

MR N. T. RAMA RAO, the dis-missed Chief Minister of the been illegally given office. of violence in Andhra following South Indian state of Andhra Shortly before he left, the ail-the dismissal of Mr Rama Rao. Pradesh, yesterday threatened to launch a six-day agitation from tomorrow if an early date is not announced for a session

Mr Rama Rao returned to of his mission to New Delin.

Hyderabad, capital of Andhra,
yesterday after parading 162
legislators before the President,
further violence in Andhra,
If Mr Rama Rao carries out
Minister is committed to call an
early session of the legislature.

further violence in Andhra,
if Mr Rama Rao can hold his
since followers of both factions followers together, he is bound
of the Telegu Desam party are to win the test of strength and
majority in the 294-member
Assembly, and in support of his
chaim that the present Chief

South Indian state of Andhra
Pradesh, yesterday threatened in launch a six-day agitation from tomorrow if an early date is not announced for a session of the state's Legislative and tell the people of the fallure of his mission to New Delhi.

Another outbreak of violence could help Prime Minister Indira Gandhi, since she could then clamp President's Ruledirect government from New elhi—on Andhra, At present, the new Chief

No date has been announced yet for the legislature session AP adds from New Delhi: The Indian parliament approved tough new anti-terrorist legislation introduced by Mrs Gandhi's Government, which is aimed at fighting Sikh extremism in Punjah State.

The law, replacing a special Presidential decree issued last If Mr Rama Rao can hold his month, gives sweeping powers followers together, he is bound to the Federal Government to to win the test of strength and declare any area "terrorist this would be highly embar-affected" and to set up special courts to try persons accused of a wide range of crimes.

Border violence clouds Afghan-Pakistan talks

BY ANTHONY MEDERMOTT IN GENEVA

TALKS between Afghanistan Foreign Minister, who arrived in the Pakistan border areas of The Soviet Union insists that and Pakistan aimed at the ulti- from Kabul via Moscow, has the North-West frontier and the withdrawal of their forces mate withdrawal of Soviet denied the allegations. troops from Afghanistan start Mr Sahabzadaeh Yaquob in Geneva today, with diplo-Khan, the Pakistani Foreign matic analysts sceptical of any Minister, with the UN mediator

break-through.

The talks have been overshadowed by Pakistan's charge in Wednesday that Afghan forces have killed more than 100 people this year in cross-border attacks. Mr Shah refugees, who number between Mr Samuel in Kabu troops, they will discuss the troops was invited in the withdrawal of the

Baluchistan provinces, might return. Finally there is the issue of the future status of the Soviet-backed government of Babrak Karmal in Kabul.

The Soviet Union justifies its continuing presence in Afghanistan with the claim that a limited contingent of Soviet troops was invited in by a friendly government—the Kabul

is a bilateral issue between Moscow and Rabul.

The Soviet Union stresses the need for international guaranlees to accompany the required pledges of non-interference by neighbouring countries — in effect, asking the outside world to procure the end of Afghan resistance as a precondition to

Soviet withdrawal.

THE

Mi wou!

subs Mi

It also just happens to be a particularly remarkable moment to occupy this seat in the world's fifth largest industrial enterprise. Having spent three years cutting out loss-makers. restoring ets balance sheet and realigning management's focus upon profit, BP is at a turning point. Strong again and selfconfident, it must decide which way to go. Such a situa-tion is a corporate planner's

At the same time, the notion of corporate planning itself has changed at BP, as the company has embarked, like many other oil companies, on a strategy of "de-integration" breaking itself up into separate business streams and chasing unit profitability, rather than being pushed by the need to handle ever larger volumes of crude oil from Opec countries which decided in the 1970s that they could do without BP.

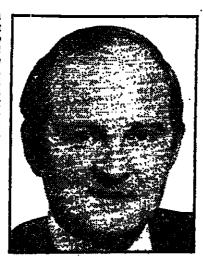
Ross, a Brylcreamed ex-Navy man with a taste for heavy duty formal pin-stripes, took on the corporate planning job within a month of Sir Peter Walters becoming chairman of BP in November 1981. Now 45, he joined BP in 1959 as a university apprentice and has university apprentice and has come up through aviation, Paris, BP Zaire, BP Oil (the UK marketing and refining company) and tankers. This is a fairly typical career for a top BP planner—the company has never favoured professional planners, preferring to use people with a broad mix of BP backgrounds.

The corporate planning machine he runs is, he says, much different from the one which existed five years ago, al-though its re-engineering was very much a continuum be-tween himself and his two pre-decessors. Colin Webster, now head of the gas business, and Bob Horton, who has risen to even greater heights as one of the company's seven managing directors with responsibility for planning and finance.

"Our corporate planning used to be the central planning of an integrated oil company. Now it is planning on behalf of the corporation," he says. For some time, BP's planning

 The conventional planners' business of understanding the mvironment on a 10 to 20 year

James Ross (right) is now at the centre of BP's intellect. The re-engineering of his planning department was a continuum between himself and his two predecessors —Bob Horton (below) and Colin Webster (far right) who are a group managing director and head of BP Gas, respectively.







A corporate planner's dream

Ian Hargreaves talks to a key strategist at British Petroleum

managing directors in assessing the proposals made by the businesses to the centre.

Allocating resources to each BP business, which is achieved by setting annual contracts beeen the centre and the

• Determining what shape BP should take: "should we return to our last or not? What should the balance be?"

Ross's role has been to take these concepts and build upon them, operating a planning function which understands the

Providing a devil's advocate and centre, however, is the consolong as you generate these think-tank for BP's seven tract, whereby a business agrees funds post-investment back to to pursue a given rate of return and flow of funds. The penalty the corporation. It was a major and flow of funds. The penalty for breaking a contract is that fewer resources will be made available from the centre.

But the difficult part from the centre's point of view is to devise tests which are fair and the contract for disparate busi-Upstream oil, a successful and profitable part of BP—indeed its financial cornerstone—required a different approach. relevant for disparate businesses: the classic conglomerate planning dilemma, although BP insists that it is a long way from becoming a conglomerate. there is a clear realisation that

competition is other people internal purposes and, probably bidding more than you for a licence or someone who has for public scrutiny. better political nous and will therefore position himself better in the Sudan, or wherever."

Public scruting.

"The key in all this is to get at each business's own competitive position," says Ross. In the case of BP Oil Inter-national, BP's huge downstream these concepts and build upon them, operating a planning a planning function which understands the businesses and can assess them, but which does not intervene unnecessarily. It is a lighter and more fiexible structure—and more fiexible structure—of the generator for the group. Track of the centre's control of the businesses into a cash generator for the group. Track of the centre's control of the businesses into a cash generator for the group. Track of the centre's control of the businesses into a cash generator for the group. Track of the control of the businesses have fallen from 90 to 60 since Ross took over—centrallsed corporate structure—the approach is evident real advantage of the three control of the businesses. "We don't real advantage of the three can the businesses." We don't real advantage of the three can the businesses. "We don't real advantage of the three can the businesses." We don't real advantage of the three can the businesses. "We don't real advantage of the three can the businesses." We don't real advantage of the three can the businesses. "We don't real advantage of the three can the businesses." We don't real advantage of the three can the businesses in value that occurs in a barrel of the businesses in value that occurs in a barrel of the businesses in value that occurs in a barrel of the businesses. "We don't real advantage of the three can the businesses in value that occurs in a barrel of the businesses in value that occurs in a barrel of the businesses in value that occurs in a barrel of the businesses in value that occurs in a barrel of the pround over a given period—a function of economic remains that the pround over a given period—a function of economic or value to the real advantage of the three can the pround over a given period—a function of economic or value to the conclusions of the pround over a given period—a function of economic than the pround over a given because the centre of the policy of diver of the businesses in value that occurs in a barrel to the pround over a g

The goal, says Ross, is to break the businesses down change and it is working well. further into discrete parts, each Now we have to create profit with its own capital structure targets that mean something." and with the centre acting as shareholder, but to do so without attempting to impose a con-formity of management style,

"Upstream oil people always believed that their only competition was God-geology, of its three main areas of busideep water or whatever. Now ness—acetyls, nolvolega. ness—acetyls, polyolefins and speciality chemicals—both for

year financial plan and comple-tion of a one-year operating

Now, full-scale strategic reviews are a two-year event— and as well as taking in mar-kets, competition and finance, there will be strong analysis of technology, with each sector required to describe how it is using bright ideas.

"In some respects we are trying to make planning less finance-orientated, or at least to broaden out. If planning is about forecasting bottlenecks, maybe our next shortage is not going to be money but people specific skills, specific management. Or maybe the organisa-tion is not right for the task that is being performed." In Ross's view, the best way

of managing the minerals business, for example—a loss-maker since the £400m purchase of Selection Trust in 1980—is unlikely to be the best way of managing the animal feed business or the detergents sector.
"We have been through the phase of thinking we were going to make a mineral company into an oil company, then realising quite how different it was. Now we have to see where we go from there."

For the whole of BP, the same

question—where to go now that the mistakes of past years have been corrected—is very much top of the agenda.

"In the late 1970s, the group

was preoccupied with a so-called investment gap. We couldn't see enough opportuni-ties for the emerging financial strength of the group. Some of that thinking was also backed by projected growth rates which proved over-optimistic."

proved over-optimistic."

Today, he says, conditions are in many ways similar—" that is why the dinosaurs are eating each other on Wall Street. It is because they have not got enough good alternatives to spend their money on—like looking for oil and gas."

BP's mistakes in the last investment boom, he thinks, were a mixture of relative and absolute—in some cases more a

Working hours

Why Petrofina is abolishing overtime

PAID OVERTIME for manual efficient of the UK's 16 oil com-workers seemed a many-headed panies. A wave of productivity devil to Pierre Jungels, manag-ing director of Petrofina UK, a subsidiary of the Belgian oil company. So on September 1, panies still leg desirbage in subsidiary of the Belgian oil company. So on September 1, it will be abolished.

Under a far-reaching productivity deal with the Transport and General Workers' Union, the 300 tanker drivers and depot workers will be limited to 371 hours' work a week. Hitherto they have been working an average of nearly 50 hours, including 10 hours' overtime, with some depots

overtime, with some depots doing up to 58 or 59.

The system encouraged people to work inefficiently during normal hours in order to increase the amount which needed to be done in overtime, says Jungels. "It was not done out of nastiness, but because of a system which allowed a very high standard of living to be achieved only through overtime."

To compensate for loss of overtime, basic pay will rise by up to 45 per cent. Some workers who did many extra hours will see a reduction in total average earnings, but for most there will be an increase.

Overtime is a particularly British disease. In West Germany, for instance, only 2.6 per cent of engineering workers did overtime last year, and even then they averaged only two hours each a week. One-third of UK manual workers do nearly nine hours' overtime a

week.
Some oil companies like
Petrofina and Mobil eliminated
it in the 1960s, but it was soon reintroduced after pressure from drivers for overtime earn-

from drivers for overtime earnings. "This time we are determined not to allow it to come back," says Jungels.

According to Petrofina, inefficiencies caused by the overtime system were myriad. They included slow loading and driving times; refusal by overworked neighbouring ones; and outdated local agreements, including ones at some terminals. cluding ones at some terminals allowing many staff to take holidays at the same time in summer, even though their summer workload had in-

EDITED BY ALAN CANE

Europe.

Petrofina's deal includes complete flexibility and improved work standards, such as faster camping speeds for tankers. Even so, the company will in the short-term recomp

cent.
This covers not only increased pay, but also the cost of creating new jobs. Six extra drivers have been taken on so far. In future short-term peaks of workload

The cost also covers higher pension contributions, Pension able pay is increased, which means that the annual pension for someone who retires after 37; years' service will rise from £5,000 to £7,000. In fature years, Petrofina may have to top

breaking down the "them and us" barrier between blue- and white-collar staff. Recently it has been difficult to promote manual workers to staff or management trainee jobs because they were loath to lose their high overtime payments.
Workers will gain from the higher guaranteed pay at times when business is thin. Petrofina tries to step up sales in profitable times and cut back

time levels.
A driver's former basic wage plus existing productivity bonus totalling £7,584 will be replaced by a new salary of £1,001, on top of which "unsocial hours" and other supplementary pay-ments can be made. Another

Brian Groom

damage

TECHNOLOGY

COMPUTER AIDED DESIGN

Auto-trol re-enters the design market

AUTO-TROL a computer-aided where there are structural mem-design company in Denver, bers in compression and tension Colorado is making a new thrust —for example, oil rigs, bridges, into Europe in a joint venture roofs and cranes for example. with the Italian company

Atthough Auto-troi had sought markets beyond its tradi-tional area of architectural CAD systems and was moving from 16 to 32 bit machines to allow faster, more complex designing. the recession bit. The company wound up its direct subsidiaries in Europe in late 1981. The 1980 world turnover was about \$50m.

largely dependent on U.S. technology, the ownership per-centages indicate its determined "European" nature. The Denver parent has emphasised that U.S. technology will be transferred with regular exchanges of technical staff. In least five years.

Just becoming available in

Europe is a system known as AGW3. The hardware is based on a high definition display (colour or monochrome), pressure sensitive menu tablet from which design choices are made, a detached keyboard for data entry, and a separate small monochrome screen on which menu details appear.

At the heart of the system is an Apollo 32-bit computer with a "bit slice processor" basically a further means of speeding up processing. Consequently, complex drawings and three-dimensional solid models can be built up with short response times between instructing the machine and the appearance of the result on the screen. Auto-trol can now offer a wide range of software cover-

ing architecture, construction engineering and mechanical design. In manufacturing technology, there are programs that will allow the best lit of clothing petterns on to uncut stacks of material and others that allow the development of boxes and cartons from flat sheets. Steel 3D is a comprehensive and "intelligent" program for the design of any steel structure

with the Italian company To build a structure, the selenia.

Although Auto-trol had standard "I," "U" or other ought markets beyond its tradible beams, place them on the screen with cross bairs controlled by "roiler ball" controls, and then automatically have their proper-ties incorporated into the

design.
In a matter of minutes rather than hours, various basic assemblies of beams can The joint European company, formed in Italy earlier this year, is 49 per cent owned by Auto-troi and 51 per cent by whole design can be physically complete structure. Then the whole design can be physically loaded in any of the three axes by Auto-troi and 51 per cent by Selenia. A UK subsidiary has started in Birmingham and similar companies will be set up in a few seconds, if any part has been stressed unacceptably. Scandinavia by the end of the rear. levels of stress. The computer will even specify the new members needed to correct the

Another software suite animates the cutting processes on a machine tool once a work-piece has been designed on the changes of technical staff. In addition, the two principals have agreed that no cash will be taken out of the company for at least five years.

Just becoming available in screen. Timings, tool carrier clashes and other problems become apparent and correction can be made before any metal reaches the actual machine

design.

The Auto-trol claim is that the new 32 bit systems bring the power of design and analysis previously associated with a mainframe computer down to stand-alone desk-top

In the UK the company won electronic engineering depart-

UK computer-aided design and manufacturing market. But with the established presence of Computervision, Applicon, GE-CAE, and the growing pressure from IBM, it may prove something of an upbill task. Auto-trol in the UK is on 021

U.S. SHUTTLE ASTRONAUTS TO SALVAGE DISABLED SPACECRAFT

Bold bid for satellite rescue

BY PETER MARSH

ENGINEERS in the U.S. are working on a set of grappling equipment for space missions that will be vital to the success of a bold bid in November to capture from the heavens two ailing satellites and return them to earth.

Insurance underwriters last

week concluded separate agreements with the U.S. National Aeronautics and Space Administration and Hughes, the aerospace company, for services and hardware needed to reserve Palana R.2 a control to rescue Palapa B-2, a satellite formerly owned by the Indonesian Government that is drifting in an incorrect orbit some 1,000 km above the globe.
The insurers are likely also
to arrange on the same mission the salvage of a second satellite, Western Union. During a

As a result of mishaps. insurers had to pay out \$180m.

disastrous flight of a space shuttle last February, the vehicles were positioned into the wrong orbits far too close to the earth.

As a result of the mishaps, the insurers had to pay out to

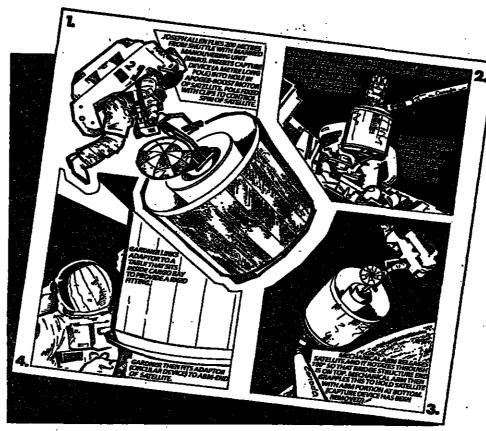
the owners of the satellites a total of \$180m. Led by Merrett Syndicates, a London under-writer, the compaines aim to contribute up to a further \$10.5m to finance the rescue

bid.

If all goes to plan, the satellites (which are thought to be largely undamaged by the mis-In the UK the company won its first order, for two workstations, from Bristol University. They will be installed in a special unit that will be shared by the mechanical and shared by the mechanical and special workstatic engineering departs.

The system will be used for training students in the use of computer graphics, setting up a consultancy service based on the Auto-trol software, and the development of new projects in association with the company.

Auto-trol says it plans to capture "a lion's share" of the UK computer aided design and the system of the training students of the computer aided design and the system of the syst Over the next couple of of a space shuttle that is due to take off in November. The satellites will be in the same plane in space and travelling



Space technicisms in the U.S. have worked out the precise sequence for the rescue of two satellites 350 km above the earth in a salvage mission later this year

lites and insert the pole in a a hole in the vehicle's apogeeboost motor. (This is an engine that was due to be fired dur-ing the satellite's transfer into the geostationary orbit 36,000 km above the earth.) Once inside the cavity, pins

on the end of the device will spring out to fix the pole in other end, grippin position. With the capture bridge structure, device, the astronaut should be In further particular in the capture of the c

and pick it up again at the for Hughes.

other end, gripping onto the bridge structure.

the crew of five on the shuttle, will drift out into space carrying a 1-metre long pole known as a capture device.

Powered by a small rocket and bring it to the vicinity of the vicinity of the capture device and the bridge structure while Hughes is to provide the adaptor and table. The astronauts plan to table. The astronauts plan to table. The astronauts plan to table. The astronauts in two the cargo bay.

At this point, Mr Dale capture the two satellites in two Gardner, another crew member separate efforts a day apart. who will be dressed in a space Also part of the mission will suit inside the cargo bay, will be the deployment into space fit onto the other end of the of two other satellites that the satellite a second new item of shuttle will bring from earth. hardware, a bridge structure These vehicles are an Anik that acts as a hook. The mechan-satellite owned by the Canadian

other end, gripping onto the bridge structure.

In further parts of the rescue just one satellite or rescue operation. Dr Allen and \$5.5m to capture both. In additional statements of the rescue just one satellite or rescue operation. plane in space and travelling device, the astronaut should be able to slow the spin of the satellite or some 1,400 km.

Four items of hardware, now under development in the U.S. in the UK is on 021

GEOFFREY CHARLISH

Flane in space and travelling device, the astronaut should be able to slow the spin of the satellite, which engineers at this stage think will be rotating at one revolution a minute.

Dr Anna Fisher, a second operation, Dr Allen and \$5.5m to capture both. In addition, they will have to hand to into place in the cargo bay, Hughes \$2.5m for the grappling ready for transfer back to hardware for just one satellite or stellite, which engineers at this stage think will be rotating at one revolution a minute.

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The four items of hardware, now and the cargo bay, hughes \$2.5m for the grappling ready for transfer back to have the satellite or statellite.

The four items of hardware is a stable to slow the spin of the satellite or rescue operation. Dr Allen and \$5.5m to capture both. In addition, they will have to hand to into place in the cargo bay, hughes \$2.5m for the grappling ready for transfer back to aller the satellite or the satellite o

Financial services

Single link to data

FINANCIAL ELECTRONIC

is to instal a system developed by Aregan in the UK that allows many of these financial information systems financial information systems such as Mullens, Telerate, Topic from the Stock Exchange, to be viewed on a single screen. More than one service can be seen on the screen simultaneously. Eventually other services such as Reuters will be added to the system.

At a cost of about £590,800, the system will be operating by the end of the year. Initially up to 50 terminals will be installed of which only 14 will have access to

mail

ELECTRONIC mail systems where personal computers can transmit letters and docu-ments over the public telephone network have now been joined by Textnet. Microcomputers or word

processors can link into the system which uses the Tele-com Gold electronic mail network, it offers a range of services such as translation, transcription and typesetting with access via most machines. More details about Textnet on 01-242 2082.

ency levels elsewhere

only 70 per cent of the increase in its manual workers' paybill, which is expected to be 12.8 per

will be covered by contractors and temporary staff, but if the peak is sustained extra perma-nent staff will be recruited.

up the pension fund.

Jungels believes the shortterm cost is worthwhile because of long-term benefits, such as

when it is making a loss, so there are fluctuations in over-

pay review will follow on January I, putting back by I; months the traditional settlement date.

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services have burgeaned in the past few years. Organisa-tions subscribing to these information services have usually needed more than one terminal to gain access to the formation.

Now the Bank of England

the information services. The remainder will be used for internal communications.

remainater will be used for internal communications.

The system will use Aregon's existing IVS-3 software for videotex controlled by a Vax minicomputer built by Digital Equipment Corporation (DEC).

The order from the Bank of England comes after a similar one from Grieveson Grant, a major city stockbroker. It is based on viewdata technology in which Aregon has specialised since its foundation in 1979.

Mr Barry Roberts, Aregon's UK sales direct's, seez many opportunities for the new system as a replacement for the jumble of terminals now appearing in city dealing rooms and stockbrokers' offices.

Complete protection corresion

Computers

Artificial intelligence

EXPERT systems are com-puters which encapsulate the specialist knowledge of a doctor, engineer, or lawyer, for example. They are a step towards artificial intelligence where the computer can make decisions based on the in-formation it stores and add to that knowledge. Though in their infancy more than 185 expert systems have been identified in a

report by Ovum. It says that small systems are already doing useful jobs such as fault diagnosis in electronics and telecommunications, oil and banking. The market for expert systems is still small. In the

UK, Ovum estimates that it will be worth about £45m by 1990. The report costs £255 and is available from Ovum on 01-607 2122.

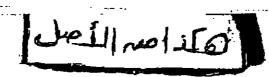
Software

Smooth talking

FIRST BYTE said it has in-troduced a text-to-speech syn-thesis software product for microcomputers "Smoothtalker."

The company said Smeoth-talker accepts plain English text from either the keybeard or a text file and automatically synthesizes the intext "late a clear and smooth-sounding using the computer's built-in speaker or an external amplifier.

Smoothtelker will initially be available for Apple Com-puter's Macintosh and later for other microcomputers. The saggested retail price is \$149.95 and shipments will start next month.



FINANCIAL TIMES SURVEY

Friday August 24 1984



Crown Prince Hans-Adam: taking on a wider role as deputy to his father, Prince Franz Josef

Interviewed by John Wicks, Crown Prince Hans-Adam, who takes over the reins of office on Sunday, sees the Principality.as . . .

A model for developing countries to follow

your country? A: The most important outstanding question has now been settled by the recent popular vote in favour of female suffrage. Other female suffrage. Other domestic priorities include the drawing-up of a new code of criminal law. At present, the Principality's penal code is based on mid-19th century Austrian law and no longer meets current requirements: a new code has been drafted, also close to the Austrian model, and

could be introduced in the next

We also need a more modern income-tax system for residents. As far as foreign policy is con-cerned, it would be advantageous for Liechtenstein to join the United Nations, though this is a controversial subject here. our joining would not depend on whether or not Switzerland becomes a member—but it would be easier if the Swiss would be easier if the Swiss were to join. As far as we can judge, any opposition to growing in this country that we Liechtenstein membership from should look for national within the UN might come solutions wherever these are

Q: What do you consider to be the role of a small nation like Liechtenstein in today's world? A: Although our contribution is limited by our very size, we gain credibility in the eyes of the world by being free of power politics. Liechtenstein also has no major problems of its own and could aid developing countries by passing on some of its own experience—how, for countries by passing on some of its own experience—how, for example, to reduce the agricultural share of the working population from over 50 per cent to only 3 per cent with no adverse effects. The Principality is already able to contribute to the work of UN organisations and is a member of the Council of Europe.

Q: In view of the close links to your neighbour Switzerland under the customs and currency union, do you see difficulties in the preservation of national

within the UN might come solutions wherever these are within the UN might come solutions wherever these are within the UN might come solutions wherever these are within the UN might confirm the UN might continue in this direction. Today's time in this direction. Today's time in this direction. Bioc countries; in the 1960s it tinue in this direction. Today's was the U.S. which attempted Europe presents more chances



since World War II has been phenomenal. Before that, it was an agricultural country, today only 3 per cent of the population is engaged on the land, while 54.5 per cent of the labour force is employed in industry and commerc







for small nations to co-operate on an international basis while retaining their autonomy. In any case, the reliance of our export sector on trade with Switzerland has been declining for the past 20 years.

Q: How do you, as a trained economist, see the future of the Switzerland has been described for the past 20 years.

Q: How do you, as a trained economist, see the future of the Liechtenstein economy?

A: I am optimistic. We have the will hardly be possible to expend our labour force,



industry will continue to expand into high value-added fields such as that of electronics.

Q: How serious is the problem of immigration, with over one-third of the population consist-

ing of foreigners?

A: We cannot realistically influx of n turn the clock back by simply sending foreigners home again, share is now The only way to stabilise or reduce the foreign share of the



resident population is to facilitate naturalisation for longof naturalisations has been on the increase recently, the public having taken up a rather more liberal-minded attitude as the have to take the necessary steps.

majority of the board is made influx of new foreigners had In many ways we now have fallen to a trickle. The alien stricter controls than those of share is now likely to remain at some other countries—for foundation over a year ago; this somewhere close to the one-trading.

Rapid industrial growth to the sound of cowbells

THE Principality of Liechtenstein, with a total area of less than 62 square miles and a resident population of rather over 26,000, is one of the smallest sovereign States on earth.

It is also one of the least-known; a survey carried out a tew years ago in the UK showed that almost one-half of those asked "had no idea of what or where it was." Such associations as the country has for the outside world tend to be pulp-novel cliches of an Alpine Ruritania full of company nameplates and

The company nameplates are undoubtedly present and, though much less in evidence, the cowbells. There is much more to Liechtenstein than the picturesque tax haven, however. Indeed it is one of Europe's great success stories.

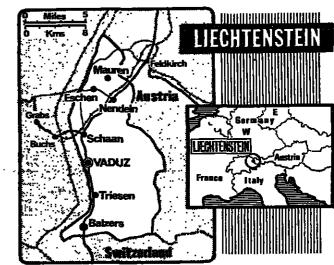
Within two generations, it has developed from a poor farming community to an extremely wealthy area. Quite apart from the income accruing from such pocket-State activities as company registrations, postage stamps and tourism, it has become a highly-industrialised nation with a per-capita income far higher than that of its rich neighbour Switzerland.

Unemployment is close to nil, the Currency and Customs Union with the Swiss keeps inflation low and the economy has been relatively unharmed by the recent recession.

Liechtenstein is now entering into a new era. Next Su the country's ruler—His Serene Highness Prince Franz Josef-will name Crown Prince Hans-Adam as his deputy.

Although Prince Franz Josef, who has been on the throne since 1938, is not abdicating he has decided to pass over the reins of office to his 39-year-old son and future heir.

The Crown Prince, who was educated in Austria and Switz-erland, spent some time working in a London bank before taking an economics degree in St Gall in the late 1960s.



Q: What is the current Q: How about the inter-situation with regard to your national reputation of Liechten-diplomatic relations with foreign stein in this connection?

A: It naturally takes time to improve a reputation—especially one diplomatic mission abroad, that of the Embassy in Berne. However, the Ambassador has now also been accredited in contacts to other European Vienna. Otherwise, Switzerland looks after our interests in foreign countries.

Q: To what extent has Liechtenstein tightened controls

U: To what extent has Liechtenstein tightened controls over "offshore" facilities? A: The latest revision of the regulations regarding offshore go at present. This has already proved its value in that Liechtenstein has recently been involved in no real scandals. My father is the chairman of the Should there still be weak points foundation; board and I am the in the system, we shall of course

A: It naturally takes time to not least thanks to better contacts to other European countries who have realised that without substance.

Q: Can you say anything about the private business interests of your family, which you yourself administered over the past year?

A: I took over control of the vice-chairman. However, the majority of the board is made



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From poverty to prosperity

THE national anthem, which is sung to the tune of God Save the Queen, has a second verse which starts: "Long live Liech-tenstein, Flourishing on the young Rhine." For years now, this has been more than a pious hope.
The Principality has flourished
to the point where it has become one of the wealthiest
countries in the world.

Like their Swiss neighbours, the citizens of the tiny State have more than compensated for their lack of natural re-sources. The once poverty-stricken nation has built up a highly sophisticated industrial service sector with a correspondingly high standard of liv-ing.



There are few reliable economic indicators to show just how prosperous Liechtenstein has become. Apart from the limited capacity of the small Government apparatus, links to Switzerland are extremely close and complex owing to the cur-rency union and the open



from the development of personal earnings; by 1982, sonal earnings; by 1952, income from employment within the Principality reached some SwFr 635m, or about SwFr 40,000 (£12,500) per employee. Gross domestic product is believed to have reached something like SwFr 1bn (U.S.\$ border.

An idea of national prosequal some SwFr 63,700 per perity can, however, be gained head, although it cannot be

European countries. In 1982 no less than 53.6 per cent of the work force was employed in the secondary sector—as against 42.7 per cent in West Germany

42.7 per cent in West Germany or 38.7 per cent in Switzerland, for example—and 43.9 per cent in the service trades. The share of farming in the once almost whosy agricultural country sank to only 2.5 per cent.

In the past year, there has been a rise in the share of the service sector though industry still accounts for well over half the total employment figure.

compared with other countries' per-capita figure in that about one-quarter of the labour force comes in daily from Switzer-land and Austria.

Liechtenstein is, always in terms of its size, much more

highly industrialised than other

figure.

With a population of under 27,000, business is extremely export-oriented. Since the war, Liechtenstein has become a supplier of some note on the world market, its foreign sales rising from SwFr 15m in 1950 to SwFr 334m in 1970 and as much as SwFr 919.3m last year.
This is the equivalent of about
SwFr 58.550 per employee, as
compared with per-head exports
from Switzerland of "only"
about SwFr 17.500.
This religions on foreign

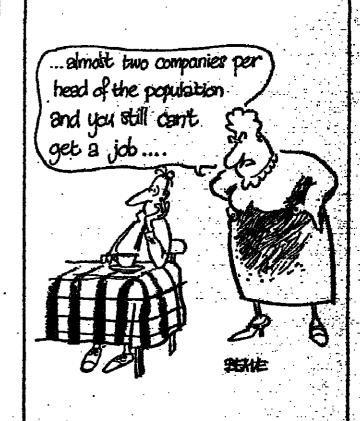
This reliance on foreign demand means that Liechtenstein cannot remain wholly un-affected by international recession. Although the country is fortunate in having no real "problem" industries, it did not escape unscathed from the setback of the early 'eighties.

Industrial exports have shown
little change over the past three years, the strong Swiss france combining with sluggish demand to make business more difficult. A January, 1984, survey by the Verwaltungs-und by the Verwaltungs-und Privatbank indicated that profit levels were unsatisfactory, while companies continued to

be concerned at the weak DM exchange rate. This has since strengthened, much to the pleasure of exporters. Last year, almost 38 per cent of Liechtenstein's foreign sales went to EEC countries—headed far and away by Germany—and about 23 per cent to Switzer-land, in part destined for re-



Prof Martin Hilti, chairman of Hilti, Liechtenstein's major industrial concern





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Investors have good reason to invest with VPBank



Financial figures	31.12.83 in sFr. 1'000	30.6.84 in sFr. 1'000
Due from banks	875 272	1003983
Other loans	192555	225 513
Deposits ·	969 282	1117026
Savings accounts	118111	130956
Bank bonds	48346	52096
Own resources	121819	121819
Total assets	1296266	1481581

Please ask for our annual report





Year	Vaduz	Triensien	Betzlers	Triesen-	Schar fl	Planker	Eschen	Meuren	Campri	a .Ruggell	Sohel- tenberg	
1970	3921	2637	2704	1813	3899	177	2114	2055	660	866	513	21250
1971	3970	2730	2750	1850	3980	190	2170	2110	690	880	520	21850
1972	4270	2711	2700	1779	4156	202	2260	2234	670	918	514	23414
1973	4326	2898	2983	1813	4302	216	2194	2279	694	987	544	23156
1974	4382	2939	3023	1936	4359	218	2361	2298	710	965	554	23745
1975	4472	2889	31.04	1952	4320	221	2421	2319	697	990	562	23947
1976	4620	2912	3049	2002	4354	235	2375	2343	709	1007	563	24169
1977	4704	2905	3112	2019	4513	250	2471	2426	717	1023	575	24715
1978	· 4856	2951	3196	2017	4581	257	2584	2547	717	1053	581	25340
1979	4892	2935	3234	2099	4636	272	2760	2584	764	1102	590	25808
198 0	4606	2970	3186	2098	4551	280	2594	2463	777	1113	577	25215
1981	4980	3021	3282	2186	4534	285	2665	2575	825	1200	577	26130
1982	4904	3960	3419	222 0	4572	276	2683	2596	829	1220	691	26380

Even a lean period on world markets did not bring about anything even approaching a recession in Liechtenstein, however, Unemployment peaked this January at a bare 0.4 per cent and has since fallen to about 0.3 per cent (49 persons at the end of June). Short time, which had affected a maximum of 145 in March of last year.

this January at a bare 0.4 per reduction in jobs. There was points out in a recent report, also a slight decline last year Liechtenstein enjoys a number at the end of June). Short time, which had affected a maximum of 145 in March of last year, rossing foreign workers.

The labour market has not improvement in the DM-Swiss longest working hours in the been as unaffected as this might

capital formation and an efficient banking network and not least the Customs and Cur-rency Union with the Swiss. Nevertheless, there are disadvantages; too, the greatest of them being the availability of manpower. Recruiting is not easy in such a small population. At the same time, the authorities do not want any further increase in the very high of foreign citizens in

For all that, Liechtenstein

icophole. The banks, who are naturally keen on reteining

their hitherto unblemished reputation, have traditionally done all they can to avoid

adhering to good-conduct guide-tines which they say have in part been stricter than those of the Swiss,

Also, Vaduz bankers have been able to block any pos-

abuse of the cour

bank secrecy for insider deals even without a specific

EXPORTS

0.7

The benefit of a strong home base

Banking ... JOHN WICKS

BANKING bas rapidly in the Principality over the past few years. Assets of the country's banks more than trebled between 1975 and the members of the Swissfanc members of the Swissfanc trebled between 1975 and the end of 1983 and have shown further growth this year so far. At the same time, an expansion of financial services means that income from off-balance-sheet business is increasing at an even faster rate. Farnings are up and rising.

This has been possible without the banking sector opening up to all-comers. In the 1950s, the authorities did receive a number of applications from outsiders to set up banks there. However, the Government was not taken with the idea of a "mini-Luxembourg" and in 1960 a Bank Act was passed, one any proliferation of new banks.

Indeed, no new banks were established at all. There are established at all. There are still only three in the country, all in local hands. The official bank is the Liechtenstelmische Landesbank, with a State-This good-conduct code, simed endowed capital and the primarily to ward off undestr-character of a Swiss caminal able accounts and stop banks character of a Swiss cantonal able accounts and stop banks bank. The others are privately from actively aiding and owned: Verwaitungs— und sbetting capital flight, was Privatbank (VPBank) and Bank drawn up in 1977 in the wake in Liechtenstein (BžL), the of the Chiasso Affair, in which latter controlled by the ruling family's Prince of Liechtenstein were missopropriated.

The Liechtenstein Government of the chiasso and stop banks and stop banks and stop banks and stop banks.

an important sector of the Liech-

tenstein economy.
Its success has come about thanks not least to the remarkable prosperity enjoyed by the meant that the Liechtensteiners little country in the past few found themselves unable to go years. Local business accounts along with the new code. for a substantial share of the balance sheets, particularly in the case of the Landesbank. ver, the Liechtenstein banks have much more than just regional significance. International business plays a large and growing role in their activities, even though the banks are without their own money market and capital market organisa-

a banking centre, Liechtenstein shares many of the advantages of Switzerland, to which it is linked by a currency union and a monetary treaty. These include the strength of the Swiss franc, political and economic stability, attractive tax laws and the

activities as largely integrated. Liechtenstein stock when it into the Swiss financial system.

As well as belonging to their registered shares to over-the-own organisation, they are members of the Swiss Bankers' Association. Since 1980, the Swiss Bankers' Association. Since 1980, the Swiss Bankers' Association. Since 1980, the Swiss Register is held by the Swiss Register is not a swiss capital is held by the Swiss Register is not a swiss of the Swiss Register in the sw Swiss National Bank has had the same monetary powers in Liechtenstein as at home, always allowing for the smaller

zone. Liechtenstein did not, for instance, follow Switzerland's example of introducing # 35 per cent withholding tax, levying only a 4 per cent coupon tax on dividends and interest

payments.
This has promoted the placing of money, particularly time deposits, in the Princi-pality. However, a fiscal disadvantage is the lack of any double-taxation agreements apart from that with Austria and certain arrangements with the neighbouring Swiss cantons of St Gall and Grisons. This means that at-source taxes on foreign assets cannot be

foreign recovered. Another difference concerns the Swiss "Agreement on the observance of care in the acceptance of funds and the practice of banking secrecy. This good-conduct code, simed

Foundation.

As of mid-1984, these three booked a joint balance sheet of over Swfr Shn (U.S.\$3.52bn).

This may be only about 2 per cent of the assets held by the banking system in neighbouring boundaring switzerland — but the Principality has a total population of under 27,000, or about as many inhabitants as a typical small parts with regard to declarations of the Liech-tenstein lawyers when the same under 27,000, or about as many inhabitants as a typical small parts with regard to declarations that non-bank clients were an important sector of the Liech-tenstein Government subsequently drew up a similar agreement with the three banks of the Principality.

When the Swiss code was extended and revised in 1982, however, Liechtenstein Government subsequently drew up a similar agreement with the three banks of the Principality.

When the Swiss tode was extended and revised in 1982, however, Liechtenstein Government subsequently drew up a similar agreement with the three banks of the Principality.

When the Swiss tode was extended and revised in 1982, however, Liechtenstein lawyers and licensed trustees were no parts with regard to declaration to the swiss to the parts of the principality. known to them and that no forbidden transaction." being concluded.

This discriminatory measure Nor have the three banks been able, under Liechtenstein law, to take part in the Swiss agreement with the U.S. aimed at countering insider deals. The Principality in elso not involved in Switzelland's 1983 international legal essistance law, winch inter-chia enables support for tax-fraud investiga-

VPRank has been that with the most rapid growth so far this year—the balance sheet expanded by 14.3 per cent in the first half, which manager Dr E Heinz Battliner says was above the "conservative" tar-get for the period. VPBank, which intends to develop investinstitution of banking secrecy. ment counselling and portfolio.

The close ties to Switzerland management operations as a are themselves a considerable priority, made news last year help, the banks seeing their by becoming the first listed

The smallest of the three, the

registered shares to overche-counter trading in Zurich.

BiL, some 95 per cent of whose capital is held by the royal Foundation, has been blossoming out drastically.

Apart from the parent bank, a finance company, a trustee firm and a trust-management unit in Vaduz—plus a stake in the Principality's only mutual

Landesbenk

The Landesbank was a pioneer of the automatic service point.

trust, Austro-International-Investment-Fonds — this has been the first Liechtenstein bank to set up foreign opera-As part of what bank manager Dr Egmond Frommelt calls a "systematic but careful expansion," BiL set up a London rep office in 1982, shortly after opened the affiliated BiL Securities there. In the coming months the representation and the company are to idea up in

Vaduz

the company are to join up in a new London subsidiary. Last year, the bank moved into Zurich with its financial-services subsidiary Bilfinanz und Verwaltung. In the past few months it has announced the formation of a Frankfurt subsidiary---thus becoming only the



Mr Karlheinz Heeb, manager

with a subsidiary in Germany-York, both of those to start operations at about the end of law of its own, the year. Not only that: Dr An important Frommelt indicates that a rep office might be opened in the

As in Switzerland, incidentally, banking secrecy protection does not apply in the investigation of comes under national law. In the field of internamonal legat assistance. Liechten. second Swiss-francerez bank stein is a signatory of the European Convention on Legal Aid and Bil Management in New 111 Criminal Cases and 25 currently working out a national An important factor is the

degree of control exercised over Liechtenstein, banks' operations. Apart from the bonks' internal anspectorates and the surveillance by external suditors, their activities are subject to supervision by the Lectionstein Banking Commission. This also acts as a licensing authority, whereby any new banking concessions would also need l'arliamentary approvzi,

All to all, the Principality's bankers do not want to tangle with Switzerland. Apant from the fact that Benne can exert considerable muscle — as when Liechtenstein was temporarily declared a "foreign country for currency purposes" in the 1960s and 1970s — the bankers know that they could simply not handle any huge influx of funds from Switzerland. considerable muscle - es when

This is why they were very glad the Swiss "Banking Motion" was thrown out this May, had it been accepted, the relatively small flow of money which had been resouted to Vaduz by apprehensive clients of Swiss banks would have turned into a flood.

Even without such tinwelcome boosts to business, Liechtenstein's benking sector has been growing apace. All three banks have built new headquarters in have built as w reacquarters in Vadux in the past two years in keeping with the steady growth in front and back-office busices. The halmonsheet total rose by 11.9 per cent in 1983, with combined net profits up 20.6 per cent - due not feest to increased activity in such non-interest fields as portfolio management, stock-market business and correscy/foreignexchange trading — and both figures look like being trigher again at 1984.

All banks are well aware of the benefits of innovation. The Landesbank was, for example, the first bank in Europe to provide a network-wide system of 24-hour automatic tellers.

الكاذاصر الأصل

Consolidation after rapid expansion

Industry ANTHONY MODERMOTT

INDUSTRY in Liechtenstein has at present probably reached a peak. Its growth since the Second World War has been phenomenal. Before that, it was a poor agricultural country, today only 3 per cent of the population is engaged on the land, while 54.5 per cent of the labour force is employed in industry and commerce. Given its small population it is one of the most industrialised country's in the

Because of its close economic links with Switzerland, its fate and development is inevitably not entirely in its own hand The customs, economic end currency union has been in existence since 1924 and is of fundamental importance to Liechtenstein's export economy,

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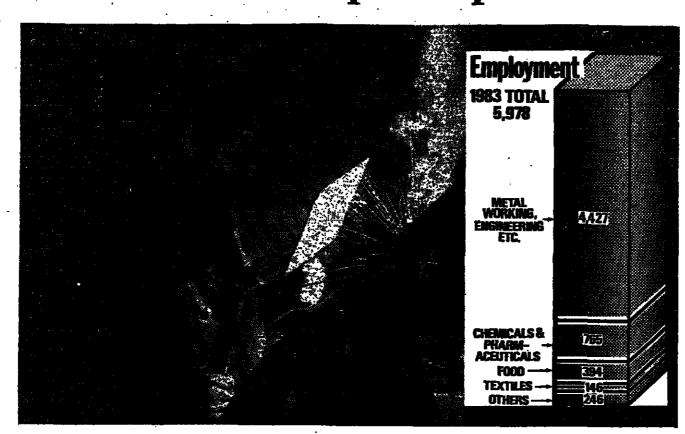
The agreement relating to the European Free Trade Association (Efta) is applicable to Liechtenstein. So, too, is Switzerland's free-trade egreement with the European Community.

Thus Liechtenstein's economy has been exposed as well to the world recession and the effects of exchange rate distortions. But because of its small size there are genuine limitations on growth and this has given broad policies a shange in direction.

As Mr Herbert Kindle, head of the Liechtenstein Chamber

The export pastern gives a good picture of how midustry has developed. In 1960 exports were a mere SwFr 82m (U.S.\$36.12m). By 1974 finey had reached SwFr 535.36m, and between 1976 and 1980 (when they were worth SwFr 887.03m) annual average growth rates of just over 11 per cent were being recorded. A marginal decline was suffered in 1981, and a growth rate of 1.4 per cent in 1982. Last year exports rose by 2.8 per cent to reach

Switzerland took 22.9 per cent



cent on the previous year). The largest proportion, or SwFr 348.67m—37.9 per cent, went to EEC countries (down 0.6 per cent), and sales to the rest of the world, worth SwFr 288.68m

rose by 11.8 per cent.

The boom in export earnings of Industry and Commerce, outs
it: "The development will be has been reflected more in more consolidated than it was.
The real boom is over."

The boom in export earnings has been reflected more in wages and salaries than in the numbers of those employed. numbers of those employed.

The number of those employed fell from 5,300 in 1974 largest number (4,427), followed to 5,096 in 1976 and thereafter there was a gradual rise, with a peak of 6,414 in 1981. Last year the figure had fallen back industry has expanded has for the second year running to 5,978. (2.5 per cent fewer than in 1982).

Wages and salaries fell by 2 cross the horder from Amstria



instrument making, four in both textiles and ceramics, chemicals

in 1982).

Wages and salaries fell by 2 cross the border from Austria per cent last year to SwFr and another 1,000 from Switzer-258.87m, but individual earnings have continued to grow, so that industry.

Position the limits industry in the continued to grow, so that

the average income of an indus-trial worker last year was series industry this year fore-SwFr 43,300.

Twenty-eight companies are casts are in the range of 2.5 of Liechtenstein's exports last currently registered with the per cent), and high wage costs, year, worth SwFr 210.5m and these constituted by far the merce including: 13 in metal a country with an area of only greatest proportion of SwFr working, engineering and 160 sq kilometres. Of this, only



one-quarter along the Rhine Valley could be used for expan-

But prices are high and there are non-industrial zoning plans. Also it would be hard to increase the work force without taking in more foreign workers. In 1982 these made up 42.7 per cent of the work force, an even higher proportion than the number of foreign residents in

the population. Leaving aside the social and family insurance contributions which the Government makes, "Ueberfrendung" ("too many foreignens") has begun to become an important position to Mr Kindle, We have reached a plateau . . the path forward is a question of ismova-

A review of selected company performances presents some indications of the circumstances in which they have had to operate, how they have responded and how they see the short-term fixture.

The Oerlikon-Buehrie group based in Zurich possess both Balzers AG and Press and Stanzwerk AG in Eschen. The former specialists in high-vacuum and thin-film tech-World wide Balzers division experienced an increase in turnover last year of 6 per cent, while that of the local company was 9 per

In Liechtenstein, its work force feel by 21 to 1,291 (glob-ally at stood at 2,450). Invest-ments overall rose in 1983 from ducts. The metal-working com-pany in Eschen, increased its turnover by about 30 per cent, and fabrics had a difficult year as a result of intense market—with the cost of raw materials—ing new areas of North rising by 35 per cent and over America, and because its plants—production—countered through



in France and Italy had

prospered. By contrast Elastin-Werk AG at Triesen, one of Europe's best known manufacturers of sausage skins, had a fough year, one of "consolidation." It pro-duced 23.3m metres of products — 83 per cent of capacity — and sales fell by 7 per cent. It found its products expensive because of the strength of the swiss Franc and this hampered competition in neighbouring countries. Demand had fallen in Austria and Holland. To counter a similar performance forecast for this year, the man-agement is being restructured and the search for new products

Grave-Optic GmbH in Vaduz -indicating the variety of products, specialising as it does in photochemically-based precision photochemically-based precision calibrations—expects this year to be as successful as last, which it described as "good" and in its specialised sector represented "a striking leap forward."

Hitchan Producers of ready

Hilcona, producers of ready made and frozen foods, in Schaan, was another company made aware of cutbacks in foodbuying and tourism, and resolved to fight back through intensive marketing in new areas, particularly of 20 newly-

developed products.

Ivociar AG, one of the world's largest false teeth manufac-turers, succeeded in holding SwFr 12.7m to SwFr 15.3m, of on to its share of the diminish-which Balzers AG received ing West German market, but SwFr 4.9m. The concentration continued to sell to some 90 was on developing new pro-countries world wide. However, countries world wide. However, In terms of results, most Jenny Spoerry and Cie of Liechtenstein industrial comvaduz, producer of cotton yarn panies, whether small or large,

wonder you're Jet-lagged... S

Switzerland this morning,

Austria this afternoon—no

Hiltl AG of Schaan is an example of an internationallyminded company, producing 1984. Eight companies, employ-fastening systems for construc-tion purposes. It has a work-it would be good, 9 employing force of around 10,000; nearly five times as many employees abroad than in Liechtenstein. Group turnover increased last year by 5 per cent largely due to success with the introduction of new products. Recession in the main markets of the U.S.

recorded stagnation during the first half of 1983, with a

the end of the first quarter lobbied its members for views on about 3,000 considered it would be satisfactory and another 9 with 600 employees looked towards 1984 as being either

uncertain or exceptionally bad.
The exchange rate weakness of the Deutschemark was foreseen as a major problem, affectand West Germany was offset by ing a major export target area, progress in new Middle and Far Eastern markets.

But the low rate of inflation in the Swiss franc area and what the Swiss franc area and what seemed to be a strong business recovery in the U.S. were seen as being advantages to help industry in the Principality during a present and continuing period of, essentially, consolidation.

SWISS Banking, Finance, and Investment

DECEMBER

The Financial Times is proposing to publish a survey in December on Swiss Banking, Finance and Investment. The synopsis introduction states

"This year should set new records for Switzerland as a financial centre. The first half has seen further growth in stock exchange turnover, foreign borrowings and bank assets. The economy continues its recovery, without any inflationary over-heating and the international investment community remains favourably impressed by Swiss stability."

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EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of Surveys are subject to change at the discretion of the Editor

TO INTERNATIONAL INVESTORS WHO HAVE OVERLOOKED LIECHTENSTEIN.



It's easy to overlook Liechtenstein. Geographically located between Switzerland and Austria, not far from Zurich, Liechtenstein is one of the smallest countries of Europe with an area of only 61 square miles and a population of 26,000.

But what Liechtenstein lacks in size it more than makes up for in solidity and stamina dating back over centuries. Durability is its heritage. Preserving wealth is its skill.

That's why a growing number of discerning institutional and private investors seeking genuine international diversification are turning to Bank in Liechtenstein. They have discovered that Bank in Liechtenstein, true to its heritage, puts special emphasis on lasting dient relationships, taking the long-term view aimed at preserving and enhancing wealth in line with investor needs.

Individual investment coursel, asset and trust management facilities as well as special services for international private and commercial clients are Bank in Liechtenstein strengths that have stood the test of time.

If you have overlooked Liechtenstein, isn't it about time you found out more about us? For complete information, just write or call: Bank in Liechtenstein, Herrengasse 12, 9490 Vaduz Fiastentum Liechtenstein, Telephone: 75-51122, Telex: 77865 or our London Representative Office, 70 King William Street, London EC4N 7HR, Telephone: 01-6260831/32/33, Telex: 8811714 billon g.

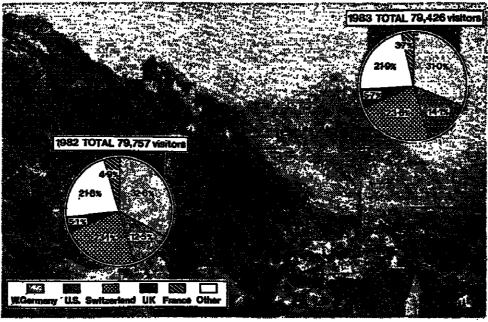
BANK IN LIECHTENSTEIN AG

Linked to a great European heritage.

Issues of

By flocking to the capital's main street tourists are missing the . .

Delights outside Vaduz









considerable profitability

STAMPS produced by Liechten-stein are not just a good means of putting a small country on the world map. They are also items treasured by collectors. ANTHONY NODERMOTT Furthermore they make a sub stantial contribution to principality's income, although under the impact of global recession, both the total sums earned and the proportion of income fell last year.

The bulk of stamps sold are either "mint" or prefranked, without the expense of carrying out mail services, and as most are not sold singly but in blocks As a result last year Liechten-stein earned SwFr 25.09m (US\$10.96m), or 9.6 per cent of

The principality has had its own stamps since 1912. Before that Austrian stamps were used, and remanied simultaneously valid until a postal treaty with Austria expired in 1921. In that year a postal union with Switzerland was concluded, entitling Liechtenstein to issue its own stamps.

Now in its eighth decade, the local stamp industry has been responsible to date for some 900 issues. It is an acknow ledged leader in motifs and designs under the direction of the Postage Stamp Design Office in Vaduz. The themes range from the princely family, to landscape, art collections, folk lore, religion, current issues such as the environment and devalement. development aid, historical events and sports (the issue prepared for the 1980 Moscow Olympics had to be destroyed

at a cost of over Sw Fr 3m after the boycott). Issues are made quarterly, The stamp issues are enshrined in the Postai Museum founded in Vaduz in 1939. The display includes not just Liechtenstein stamps and their precursors, but also batches received on an emphance received on an exchange basis since 1921 from member states of the Universal Postal Union. It also contains study materials from Liechten-

stein's own issues, such as artists' sketches and die, plate and colour proofs.

It is deliberate policy to keep the face value of each issue comparatively cheap—Sw Fr 4.5 - and restricted in numbers. Since Liechtenstein pos

no print works of its own, most

stamps are produced by the highly specialised Houses of Helio Courvoisier at La Chaur-de-Fonds in Switzerland and the Austrian Government Printing

Stamps

tion by the two compan Bern to avoid the production of imperfections or variants in

a boom in the 1960s. Today times have become tighter with the number of new subscribers falling from around 13,000 in 1980 and 1981, to 10,146 in 1982, and more sharply to 5,712 in 1983. The total number of subscribers has virtually stag-nated over the past three years, 91,670 in 1981, 92,724 in 1982 and 91,557 last year.

At the end of 1983 the At the end of 1983 the main countries with subscribers were West Germany (about 40 per cent), Switzerland (35 per cent), Austria (8 per cent), followed by Liechtenstein, France, the U.S. and Holland. To these figures should be added sales to occasional buyers and visitors, putting the total well over 100,000.

However, for the first time for

several years, stamp sales for 1983, budgeted at SwFr 27.5m, failed to reach their target, recording a shortfall of 8.1 per cent at SwFr 25.09m.

This itself was a drop of 10.6 per cent against carnings of SwFr 28.07m in 1982. Over the period of these two years, the contribution of change carnings to Liechtenstein's income fell from 11.5 to 9.6 per cent.

The hope is that an end to

the recession and celebration of Liechtenstein will halt this



—in fact almost nothing—about what it earns, but on other issues it is possible to learn, for example, not just the number of children attending **Tourism** ANTHONY McDERMOTT

It is to persuade tourists and tour operators that, small as Liechtenstein may be, there are other places than Vaduz or the skiing centre of Maibun—belowed of the Prince and Princess of Wales—to visit.

There are, in fact, 11 communities including Vaduz with historical-sounding names such

historical-sounding names such as Eschen, Scheilenberg, and Planken. In short, the principality is worth more than a few hours of souvenir-hunting,

realised that it could not rely

vitally important to Liechten-stein but the country is remark-

day-to-day tourism. Now

primary school but also the numbers of foxes, cats and dogs PASS DOWN Staedtle, the main street of Liechtenstein's capital, Vaduz, around lunchtime in the killed annually. Unofficial estimates put the earnings from what is termed "hotelerie and day tourism" at SwFr 25m (US\$ 11m), almost Vaduz, around lunchtime in the summer, and you could find as many as 60 tourist buses and their contents on the move. When you consider that Vaduz's population is only some 5,000 this is quite a burden. The souvenir shops are packed, but come 4 o'clock, the place is comparatively empty.

Herein lies the heart of the principality's tourism problem. It is to persuade tourists and tour operators that small as exactly the same as the income

from stamps.

Overall figures suggest that the number of visitors is, at best, holding steady, though it must be conceded that, because



obtaining another stamp in the passport (50,000 people do this a year), or a shortish visit to the not-too-testing slopes of Malbun. The Government has been somewhat slow to react to this situation. According to Mr Berthold Konrad, the director peak of 85,282 in 1981 and this declined to 79,426 tast year. The pattern of those mationals of the National Tourist Office since its establishment in 1971, they were aware of it in the 1960s. Then the Government staying has very much reflected the strength and weakness of relevant currencies. West Germans remain the largest group of visitors 24,582 in 1983. But proportionally more French tourists (2,936) stayed away. The increase in the number of there is a concerted counter-attack, but so far without much success. This however is a reflection more of worldwide economic trends than anything American, Swiss and British tourists was impressive. To these figures should be added for 1983, 5,199 (5,404 in 1982) ably coy about producing figures. It releases very little

if anything, decreased. In 1977, the number of beds available were 1,848. Last year there were 1,708. Private rooms were 45, two down on the year before.
To offset this somewhat gloomy analysis, the principality does have much to offer—outside the crowded main street of Vaduz. It has scenery—both nrountains and the valley along the Rhine with its villages.

In addition given the size of the country it has a formidable array of cultural institutions to risky the cultural instations to visit. The art collection, featuring Paul Peter Rubens, is the most notable, but there is also the stamp museum, and the national museum which was originally the "Eagle Inn," the seat of Government, and in the basement, the state prison. Triesenburg has also a notable

Sporting facilities abound, though it is acknowledged, wryly, for space reasons, a golf course cannot be included. Malbun, with its two chair lifts and four ski lifts and hotels which have baths and/or showers offer both prices and slopes which for the medium drier can do battle with Switzer-

There are for example 300 km of waiting paths, and much for the cyclist. Also to its credit is gastronomy. It is possible to eat very well, not just in Vaduz,

The siny principality has no less than 12 wines to be sampled. As Mr Konrad points out the problem is that "people tend to herd together in one place and not sample delights in other villages." The tourist season is divided 60 per cent for the summer and 40 per cent for winter. The industry is described by Mr Konrad as a "mosaic."

Mr Konrad elso says he would him to the control of the control

visitors who spent 48,581 like to see a 100-bed hotel built (51,503) tourist nights in holito spread the word first a stay day apartments.

The facilities available have, few hours in the high street.

Mixture of independence and interdependence

THE MOST significant political event for Liechtenstein for some time is the delegation by Prince Franz Josef II, heredirance Franz Josef II, hereditary ruler since 1938, of some of his ruling rights to his son, Crown Prince Hans Adam.

But as interesting, and stimulating to outsiders, was the referendum last month at

which approval was given for women to have the vote on national affairs. They are deprived of the vote on local issues and, with Europe, this left them in line with only seven cantons in neighbouring Switzerland where women, too, are deprived of the local but

It was, as it turned out, a fairly close-run thing. At the first referendum in Liechtenstein in 1971, votes for women were rejected 49 per cent to 51. Two years later the gap had widened to 44 to 56, and at the beginning of last month the proposal only got home by 51.8 per cent to 48.7 per cent.

Politicians are somewhat defensive as to why it took so long for this decision to come

about. They cite as reasons the conservatism of the domin-ant Catholic religion. They con-cede that the principality was slow to discuss the issue and show to discuss the issue and point out that it was not until 1971 that a similar decision came about in Switzerland. Before that they say it was hardly a topic. They add, it came about democratically and out as a result of war or response. not as a result of war or revohution as elsewhere. Small as Liechtenstein's scale

may be—and there is a popula-tion of only just over 26,000 divided among 11 communities in an area of 160 square kilothe quaint, the anachronistic and the fully democratic. On the first two levels are

On the first two levels are the appearance of Vaduz with the Prince's Ruritzadan style castle brooding above, the mountain beacons and fireworks to celebrate the Prince's birthday; the history—a principality which has survived wars after being brought into existence by being brought by one Prince being bought by one Prince Hans Adam von Liechtenstein at the turn of the 17th century; the scenery with the namow Rhine Valley and the mountain area behind; astonishing num-ber of statistics which are so detailed as to record the pre-sence of 6,052 cattle in 1983 sence of 6,052 cattle in 1983 and the fact that the army of 80 solidiers, and one officer was dissolved in 1868 and the last coldier died at the age of 95 in 1939. All these features and figures add up to a picture of quaintness and anachronism and to this must be added the cristment of hereditary more

Politics ANTHONY MODERMOTT

Principality does have two political parties. One calls itself the Reds, the Patriotic Union and the other the Blacks, the Progressive Citizens' Party.
Since 1938 they have been in coalition. Both are based on Christian ideas and have the

motto, "Faith in God, Prince and Fathenland." almost indistinguishable but on the ground they do reflect both personalities and the difference in historical representation in the past; in particular the past; in particular of far-mers and small tradesmen. There is a Diet of parliament of 15 members, elected for four years, and a government composed of five members composed of five members appointed by the ruling Prince after proposals by the parliament—also for four years. The next election is due in 1986.

Crucial for Liechtenstein is the mid-1920s, it was closer with Austria and Germany, its other immediate neighbours. Switzerland has taken over virtually all its diplomatic repre-sentation except in Bern where

through its customers agreement in operation since 1924 with Switzerland with the Euro-(EFTA) and the European Community. At the same time the principality is represented in at least 15 international in at least 15 international onganisations including the Council of Europe, the International Court of Justice, UNCTAD, and the Economic Commission for Europe. But on the question of joining the United Nations, it is reluctant to do so before Switzerland says it will.

Liechtensteiners resent suggestions that they are almost a Swiss province, but it is part of the "Swiss franc area." The theme of Swiss—undeliberate—influence, however, comes up

time and again. would
It must be acknowledged that situation Liechtenstein has survived remarkable changes with equanimity. In the last few decades only, economic development has made it very prosperous through its banks, foreign and local industry and companies, and

It has survived a radical transformation from being a mainly agricultural society to one in which industry and services abound, bringing with them an influx of foreigners. At the end of 1982, out of a population of 26,380, 9,950, or 36 per

the country at the moment, Mr Hilmar Ospelt, effectively the deputy prime minister, outlined the following. He took up first the issue of women's votes. He hoped it would be brought in as soon as possible on a local

"ueberfremdung"—too many foreigners. The point was made that the intention was not neces-sarily to be more restrictive, but country integrate more closely. The effect would be a half-closing of the borders.

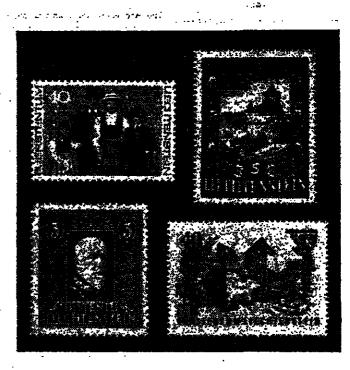
But the dilemma is there, as Mr Ospelt said, "we need work-ing power, especially qualified workers, but on the other hand we want to close the tap." Related to this is another problem, that of space. Property laws are very restrictive, more so than in Switzerland and for Liectnensteiners as well, not

This has already posed problems of limits on industrial expansion. Mr Ospelt said: "the problem is the limited building ground. Either it is too expensive, or it does not exist. Young couples are one particular class of victim, not just of this constriction, but of another—tax laws. In the

property. As elsewhere in Europe Liechtensteiners worry about the environment. Forests are dying because of pollution caused by domestic heating systems and industry. It is— because of the principality's size— a problem that can only be dealt with in conjunction with

Related to this problem another—that of energy. Up to 85 per cent of electricity comes from Switzerland, and in oil terms Liechtenstein is com-pletely dependent on the outside Ideally, the Government would like to change the

In the end. Liechtenstein is a remarkable mixture of indepen-dence—in terms of style of tory—and interdependence, for it remains deeply reliant on its neighbours, especially Switzer-



A tax haven where companies outnumber the population

Offshore Centre

JOHN WICKS

IN THE outside world, Liechtenstein is best known as a tax haven. Its low tax rates, watertight fiscal secrecy and accom-modating corporation laws have attracted tens of thousands of letter-box companies and led to the building-up of a sophisticated offshore centre with an international reputation. No-body knows just how many companies there are, since there is no universal gazetting procedure, but most estimates reckon at least 40,000. In comparison, the entire population is 26,000-odd.

The country's exchequer has certainly benefited from the existence of these firms. In 1982, the latest year for which official figures are available, almost one-third of total fiscal and excise income came from taxes on offshore companies and those levied on premiums of foreign insurers in Liechtenstein. The trustee business also employs nearly 1,000 people, a substantial labour force in a tiny country.

Not much of the money ention (Stiftung), the Establish-ering the principality actually ment (Austalt) and the almost tering the principality actually ment (Anstays there, of course. Like identical

most havens, Liechtenstein acts primarily as a turntable. The banking network of Switzerland absorbs a far greater share of the funds than the three Liech-

Just how important this business is for them emerges from recent Swiss National Bank statistics. These show a net Swiss Hability in balance-sheet terms towards Liechtenstein of 4.6hm (US\$1.9bn) in 1982, Also, Switzerland's little neighbour was its biggest single sup-plier of fiduciary funds in the whole of Europe, with a net figure of as much as Sw Fr 14.5bn.

There are two basic types of tax-haven vehicle in Liechtenstein. One is the domiciliary company, which is simply based there and active abroad. The other is the holding company, intended for assets administration and the holding and administration of stakes in

other companies. Taxes are minimal, with a one-time charge of up to 3 per cent on the capital of newly formed companies or those in-creasing their capital, an annual charge of 0.1 per cent (at least SwFr 1,000) on net essets, and a coupon tax of 4 per cent in cases where dividends are paid. The most common forms of offshore unit are the Founda-

Trust Enterprise

(Trenunternehmen), each with a minimum capital of SwFr and the Share Company (Aktiengeselischaft) with one of at least SwFr 50,000. All of these offer limited liability and anonymity for their beneficial anonymity for their beneficial the second system of assets and have not been of

As successful as things had been, it became obvious a few years ago that controls over the system needed tightening Locally-based letter-box com Locally-based letter-box com-panies were involved in a number of scandals, the most embarrassing being the 1977 Chiasso Affair in which more than SwFr 2bn of client funds from a Credit Suisse branch in southern Switzerland were improperly channelled through the Taxon-Finanzanstalt. the Texon-Finanzanstalt.

Neither the Liechtenstein Banking Commission nor Liechtenstein directors of this company had had any idea of what was going on. Although it could be said that the Principality were more sinned against than sinning, there was considerable pressure from Switzerland for a revision of the country's offshore laws.

This came about in 1980 and made for a number of necessary measures to obviate the use of Liechtenstein addresses for shady or undestrable deals. One important move was to

director more rights and more duties. Thus, these directors—

bave drawn up an inventory ness from the Channel Islands, of assets and have not been for example, when fears reconducted as a commercial awake as to a re-instruction of

close down a company, one statutory right to demand cer-being the harming of Liechten-

but this did not last long. seems to have been the declara-tion rule, which some felt

Stifting." Liechtenstein itself

"Anstalt." at the receiving end; apparent there is a sudden flow of bu

exchange control Commercially - active companies have to present audited balance-sheets and profit and loss accounts to the tax factory reputation Liechtenstein loss accounts to the tax administration. Only non-registered ("deposited") foundations need neither to file accounts nor be the subject of a directors' declaration.

Among other changes were a series of conditions under which the authorities could close down a company, one factory reputation Licentensesin factory reputation Licentenses in administration.

How the subject of name accept just any business that comes their way. In this which the authorities could law, which gives directors the statutory right to demand cer-

After the introduction of the revised law, not a few companies left Liechtenstein — mainly moving to Panama — but this did not left left legal and left left legal and left legal and left legal and agreement, which excluded out this did not last long.

Liechtenstein lawyers and
A particular point at issue trustees from the privilege to vouch for a client

It was felt that the old agreecould make their presence in Liechtenstein rather dearer and more complicated. By the same light as their Swiss countertoken, it appears that there has certain move away from change meant more work for change meant more work for attorneys—but also the chifting of some Liechtenstein accounts from Switzerland to Liechtenstein itself, whose give the statutory resident operates with other offshore director more rights and more centres, a typical case being duties. Thus, these directors— the establishment of Panama-version.





Welcome to the PRINCIPALITY OF LIECHTENSTEIN

The small Principality on the Rhine offers its visitors a wealth of beautiful countryside and many historic sights.

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الكناص اللعل

THE ARTS



Music

LONDON

BBC Symphony Orchestra and Sing-ers conducted by Pierre Boulez, Bartok, Berg, Pierre Boulez, and Debussy with Jessye Norman, mezzo-soprano. Royal Albert Hall (Mon).

(5899465).

New Symphony Orchestra conducted by Antony Hopkins with Richard Markham, piano. Mendelssohn, Weber, Rachmaninov and Dyorak.

Royal Pestival Hall (Mon). (9283191). osten Symphony Orchestra and Phil-harmonia Chorus conducted by Seiji Ozawa with Edith Wiens, soprano and Jessye Norman, mezzo-soprano. Mahler's Resurrection Symphony. Royal Albert Hall (Tue). by Christopher Hogwood with Em-ma Kirkby, soprano, Margaret Cable, contralto, Ian Partridge, ten-

or, and Stephen Varcoe, bass. Bee-thoven and Mozart. Barbican Hall (Tue).
es Arts Florissant directed by William Christie. Charpentier. St.
Luke's Church, Chelsea (Tue,

9.30pm). estralian Youth Orchestra conducted by Sir Charles Mackerras with Bar-ry Tuckwell, horn. Tchaikovsky, Strauss, Richard Meale and Stravinsky. Royal Albert Hall (Wed).

WEST GERMANY

Düsseldori, Hetjens-Museum, 4 Schul-

Disseldori, Hetjens-Museum, 4 Schul-strasse: To commemorate its 75th anniversary the museum, specialis-ing in china, ceramics and glass as forms of art, is showing 400 ceramic vessels, sculptures and objects from the last five years. Ends Sept 16. Munich, Haus der Kunst, 1 Prinzre-centestrasers Pointings containing

gentenstrasse: Peintings, sculptures and graphics from the last two years by 500 artists living in West

Berlin, Bauhaus-Archiv, 14 Klin-gelhöler Strasse: The second part of an exhibition series dedicated to

an exhibition series demicated to Wassily Kandinsky. This sequence has works from the painter's Russian and Bauhaus years between 1915 and 1933. It also contains pictures by some of Kandinsky's contemporaries. Ends Sept 22.

aciar, Monchenaus-museum, o Monchestrasse: Roughtly 100 archi-tectural designs, graphies and pho-tographic documents by Friedens-reich Bundertwasser, a contempor-

Venice: Amid continual justified com-

emos: Amid continual justified com-plaints about the impossibly short and inconvenient opening hours of most Italian museums and art gal-leries, the Guggenheim Collection,

essible. has become the most -

accessine, has become tax most and will now be open every day (except Tue) from 12 to 6pm (also Sat from 6 to 8pm free of charge). The Saturday evening opening is the result of an agreement between the

Solomon Guggenheim foundation of New York and Montedison. Venice: Palazzo Grassi: This year, the historical section of Venice's Bien-

nale offers a huge and splendid col-

near quers a nuge and spientin col-lection of painting, sculpture, furni-ture and pottery dating from the Viennese Secession. This was the Viennese version of Art Nouveau,

which began as a splinter-group formed by Gustav Klimt in 1897. The exhibition includes Klimt's

enormous Beethoven frieze, and the

poster advertising the secessionist group's first showing in 1896 - then considered scandalous, but which

NEW YORK

Someo and Juliet: Joseph Papp's Shakespeare Festival is performing in the city parks this year the River-side Shekespeare company's ver-sion of Hearthreak in Verona. All

performances free with the encouragement of bringing a blanket and

picnic. (8776810). index in the Park with George

(Booth): Not your conventional mu-sical Stephen Sondheim's latest is an inspired pairing with director

and playwright James Lapine to bring George Seurat's painting to life, with Mandy Putinkin as the

painter and Bernadette Peters as his imagined girlfriend, Dot.

Trevor Num's production of T. S. Eliot children's poetry set to trendy

music is visually startling and choreographically feline, but classic only in the sense of a rather staid

and overblown idea of theatricality.

celebration of the heyday of Broad-

(2396262). 42nd Street (Majestic): An immodest

(2396262). Cats (Winter Garden): Still a sellout,

Theatre

, - 20 Germany. Ends Sept 16.

ary artist. Ends Sept 23.

Exhibitions

BBC Philiparmonie Orchestra conducted by Edward Downes with Irina Arkhipova, mezzo-soprano. Delius, Mussorgsky, Tchaikovsky and the first performance of a RRC commission by Brian Elias. Royal Albert Hall (Thur). Rennie Scott's, Frith Street Maria Muidaur with her band. (439 0747).

Quatuor Viotti: Schubert (Mon 8.30 pm) Saint-Severin Church, Métro Saint-Michel Alexandra Nomidou, piano: One Hour

With Schumann (Tue 6.30pm) Town Hall of the 5th Arrondissement, 21, Place Du Panthéon, Métro Luxer

bourg.

Het Brahants Orkest conducted by
Philippe Cambrelling, Jean-Jacques
Kantorow, violin: Mendelssohn,
Martin, Elgar (Tue 8.30pm) SaintRoch Church, 295 Rue Saint-Ho-Guy Robert and Michel Amoric, lutes:

Guy Robert and Mitchel Amoric, lutes: Lute In Contemporary Music (Wed 6.30pm). Musee Carnavalet, 23 Rue Sevigne, Métro Saint-Paul. Het Brahants Orkest, Brahant Koor conducted by Andre Vandernnoot, Sheila Armstrong, soprao, Bernard Kruysen, baritone: Brahms (Thur 8.30pm). Saint-Roch Church. Ass Antiques de Paris - Oce Hour of 8.30pm), Saint-Roch Church.
Ars Antiqua de Paris - One Hour of
Trouhadour and Elizabethan music
and Spanish Canconero (Mon, Wed
6.45pm and 9pm) Sainte Chapelle,
upper part with medieval windows.
Bookings 340 5517 and on arrival.

VIENNA

Philip Swanton plays organ music of 16th and 17th century in the Vottv-kirche, Roosevelt Platz, on Monday. New Vleama Baroque Ensemble con-ducted by Heinz Pranmer with Bernhard Biberauer, violin, and Walter Sengstschmidt, Harpsichord, Vivaldi, Corelli, Haydn and Mozart.

Johannes Kropfitsch, piano. Chopin, Rachmaninov and Brahms. Bosen-dorfer Saal (Wed) (656661). Hosicians' Orchestra conducted by Ljubomir Romansky. Beethoven and Tehaikovsky. City Hall Arcade Court (Thur) (42800/2085).

SALZBURG FESTIVAL

Herbert won Karajan conducts the Vienna Philharmonic. Vivaldi and Tchaikovsky with Anne Sophie Mut-ter, violin. Large Festival Hall

rbert von Karajan conducts the

Vienna Philharmonic Schumann and Brahms Krystian Zimerman. and Brahms. Krystian Zimerman, piano, Large Festival Hall (Tue).

Albam Berg Quartet: Mozart, Bartok and Schubert. Mozarteum (Tue).

Mahler's Second Symphony (The Resurrection): Boston Symphony Orchestra with Jessye Norman and Edith Wiens, conducted by Seiji Ozawa. Large Festival Hall (Thur).

WEST GERMANY

Calagne, Girzenich: Girzenich Or-chestra, conducted by Yuri Ahrono-vitch, Alexis Weissenberg, piano. Hindemith, Beethoven and Fortner (Mon. Tue, Wed).

NEW YORK New York Choral Society (CAMI Hall):

The summer-long series ends with Robert DeCormier conducting an all-Bach programme (Tue) and all-Beethoven programme (Thur). 57th & 7th Ave (873 0096).

Ravinia Festival: Kalichstein-Laredo cavima reenval: Kahchstein-Laredo-Robinson Trio. Haydn, Mendels-sohn, Tchaikovsky (Wed): Larry Combs, clarinet, and Robert Wei-rich, piano recital Schumann, Brahms, Ravel, Benjamin (Thur). Highland Park (728 4642).

tondon
The Tate Gallery: The Hard-Won Image – this summer's sequel to last year's New Art – is a personal survey by Richard Morphet, of the Tate, of British figurative painting and sculpture from the late 1950s to the present. It is a useful and even important show, for it makes the point almost in spite of itself that figurative art, far from being revived in recent years, never actually

vived in recent years, never actually went away. The strength in depth of

went away. The strength in depth of our figurative artists in this period is indeed gratifying. Bacon and Moore are the presiding masters; Hockney, Kitai (honorary En-glishman as it were), Andrews, Blake all predictably, and rightly in-cluded; Symons, Greenham, Collins, Weight, Harman and Lessore brought into deserved prominence; and the stars are Uglow, Freud, An-erbach, and Kossoff most of all. Ends September 9.

Charles Schneider — an artist with glass and a magician with colours — began with Art Nouveau and its floral themes to become a pinnear of Art Deco with its geometrical design in his vases, gobiets and lamps in rich hues. Louvre des Antiquaires, 2 Place Palais-Royal, 11am -7pm. Closed Mon, Ends Sept 16.

Minsée de Purangerie. The Jean Walter and Paul Guillaume collections are now permanently exhibited in

are now permanently exhibited in

the newly restored Orangerie mu-seum - the pendant to the Jeu de Paume. The museum houses 144

raume. The museum nouses for works from Impressionism to the 1930 period. Renoir is richly represented with 24 of his paintings among them the well-known Young Cirls at the Piano, Cezanne with 14 paintings, Matisse with 11. The public will be delighted to be able to

lic will be delighted to be able to view again Douanier Rousseau's Wedding Party and The Cart, Picas-

Opera and Bailet

WEST GERMANY

. Staatsoper: The week starts with Der Barbier von Sevilla finely interpreted by Rachel Joselson and Udo Krekow. Tosca, produced by Jean Pierre-Ponnelle, has Eva Marton outstanding in the title role, and Franco Bonisolli as Cavaradessi. Der Troubadour highlights the week with Piero Cappuccilli, Natalia Troitskaya, Eva Randova and Franco Benisolli. Othello is conducted by seppe Patané. The cast include Vladimir Atlantow in the title role and Rosalind Plowright as Desdemona. Die Hochzeit des Figaro round

NEW YORK

New York City Opera (New York State Theater): The company's 40th season continues with La Travista, again directed by Frank Corsaro, conducted by Klaus Weise and with Marianna Christos singing Violetta and Robert Grayson singing Alfredo; Barber of Seville, conducted by Christopher Keene, directed by Toby Robertson, with Judith Forst as Rosina and Frederick Burchinal as Figaro; as well as Carmen, La Rondine and Rigoletto. Lincoln Center. dine and Rigoletto. Lincoln Center.

Der Rosenkavalter conducted by Her bert von karajan, with Agnes Balt sa. Wilma Lipp, Anna Tomowasin tow, Kurt Rydl, the Vienna Philhar monic and the Vienna State Opera

monic and the Vienna State Opera Choir. Large Festival Hall (Wed). Idomeneo. James Levine conducts the Vienna Philharmonic and the Vienna State Opera Choir with Elizabeth Connell, Yvonne Kenny, Trudeliese Schmidt and Werner Hollweg. Riding School Hall (Tue). Magic Flute conducted by James Levine with Ileana Cotubras, Ingrid Mayr, Ann Murray, Walter Berry, Martti Talvela. The Vienna Philharmonic and the Vienna State Opera Choir, at the Riding School Hall (Thur). Festival information 9682/42541

(Thur). F 0662/42541

so's Women Bathing and other fa vourites. Musée de l'Orangerie, Met-ro Concorde, 9.45am – 5.15pm, closed Tue (2659940).

Marc Chagall – to celebrate the 97 years of the artist, whose paintings have lost nothing of their poetical magic. The floating figures remaining dreamlike, the jewel-like colours ing dreamlike, the jewel-like colours as mysterious as ever, there are, until the beginning of October, three simultaneous Chagall exhibitions. 200 works on paper – drawings and gouaches are being shown at the Centre Georges-Pompidou, Paris (277 1233). 85 paintings at the Fondation Maeght in Saint-Paul-de-Vence (93 328163), and stained glass, sculptures and mosaics at the Musée Message Biblique in Nice. (93 age Biblique in Nice. (90

Message Biblique in Nice. (93 817575).

Mermottan's Monets: For lovers of impressionism, the Musée Marmottan is a must. A charming town house set in greenery, it houses an important collection of paintings and drawings by Claude Monet and his friends, including the famous oil, impression-Sunrise, which gave its name to the whole movement. Monet's love of London is represented by et's love of London is represented by the Houses of Parliament. In the last 20 years of Monet's life his garlast 20 years of Monet's hie his ger-den in Giverny became his great in-spiration. In glowing colours and changing light he painted its Japa-nese bridge and weeping willows and, above all, time and again the unforgettable Nympheas – waterli-lies on still green waters. Musee Marmottan, 2 Rue Louis-Bolly, 18th Arrondissement. Closed

NEW YORK

Museum of Modern Art: After being virtually closed for three years of renovation, the museum has a chance to show the depth and breadth of its considerable collection. tion. No longer is it a boutique of the modern classics but more like a de modern classics but more like a de-partment store, with double its pre-vious exhibition space and room for such examples of modern design as a whole helicopter. inggenheim Museum: 85 sculptures which badness so

and works on paper from the per-manent collection cover Degas to Calder, and include Arp, Brancusi, Giacometti, Modigliani, Moore and Miro. Ends Sept. 9.

cup in black and covered Jar with in-cised pattern: the latter by the more familiar Ming blue and white. There is an exquisite Qing vase with close-by painted motifs, an elegant white stem bowl with fruit design and a wonderful cross-section of Chinese ceramic masterpieces, the yield of recent excavations. Selhu Depart-ment Store, Ikebukuro, Ends Sept 5. led to Whistler's nominating him a member of the Society of Painters, Sculptors and Engravers of London. Also works by Ostar Koknochia, Egon Schiele, Hoffmann, Mackinin and the Glasgow School: Ends

reasures of Dusseldorf Art Museum: A cross-section of German artistic A cross-section of German artistic development throughout thenine-teenth century. Prussian castles to a louche but inviting beer-hall and many scenes from everyday life. Cahn and prosperous family groups hang amid other portraits and land-scapes that are majestic, moving or even witty. Kunstlerhaus, Vienna, Ends Sept. 30.

INNSBRUCK

"The Tyrolean Nation 1798-1829": Prints and paintings illustrate the Tyrolean peoples fight against Na-polean and their fruitless struggle for nationhood under their charis-matic leader Andreas Hofer. At the Tyrol. Programs Inno. Tyrol Provincial Museum, Innsbruck, until 14 October. NETHERLANDS'

The Kroller-Muller Museum, set in woodland at Otterlo, between Utrecht and Arnhem, offers a special opportunity this summer to see the museum's complete collection of 274 Vincent van Gogh works togethso has fine paintings and sculpture by some of the most famous artists of the century, including Picasso

TOKYO

New Stone Age Earthenware from Shiono collection: 300 items of pottery from the Jomon period (about 4000-250 BC). The important collection is mainly from excavations in Tama, Tokyo Suburbs, Tokyo National Museum. Ends Sept 16.
Historic Chipese Ceramics (from the Shacehai Museum of Art The Sci. Bistoric Chinese Ceramics (from the Shanghai Museum of Art). The Seibu Museum has 98 important ceramic pieces from the Neolithic Age (4109-2300 BC) through succeeding dynasties to Qing (1738-1895 AD). The former is represented by an elegant and refined openwork stem

LONDON

moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592). clses Oli (Savoy): The funniest play for years in London, now with an

(0.30 5008). tarlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskat-

liet Stevenson as Isabell confirm her promise as the RSCs brighte young actress, a worthly successor to Ashcroft and Dench, in Adrian

cast of good singers and dancers. The thrills and spills of Bernstein's score and the Robbins choreography remain breathtakingly intact (930 6808).

mering design by John Gunter. The superb direction is by Christopher Morahan. (9282252).

(4376834).

American Buffalo (Duke of York's): Al Pacino on a flying visit in the David Mamet play in which he plays a hoodlum habitue of a junk shop and gives an extraordinary exhibition of sustained manneristic acting (836 5122).

Whitow is a deliriously funny staterer, Graeme Garden an adroit farener. Confident, robust production by Jonathan Lynn with good designs by Saul Radomsky (928 2252).

Cinema/Nigel Andrews

Dazzling poetry in a rich desert

Paris, Texas directed by Wim Wenders Edinburgh Festival Orinoko - New World directed by

Diego Risquez

It's no surprise in an age then we're besieged on all sides by ersatz or nerosol from the glycerine tears of Hollywood weepies to the spray-on euphoria of TV commercials—that we find it hard to tell the true from the trite. Many intelligent critics came out of Wim Wenders's Paris, Texas at Cannes poo-pooing it as art cinema's answer to Terms of Endearment

To eyes bleary with balderdash, no doubt it must be so: the 21-hour tale of a father's reunion with his young son and their cross-America search for a long-lost mother . . . yes, must be just another 8-Kleenex movie.

dering West German wizard who made The American Friend, Hammett and The State of Things about to down talent and go into the tear-jerker business. Paris. Texas is a multi-layered and dazzingly poetic film. Begining with a commdrum, continuing with a quest and ending in a catharsis, it leaps tall metaphors at a single bound and is as unerring—if not as invisible—as a speeding bul-

Harry Dean Stanton, bearded, dusty-suited and with eyes like bomb craters, plays the bat-tered human vulture found wandering the Texas desert, mute and seemingly memory-less, at the film's opening. Whereupon Wenders and scriptwriter Sam Shepard do a tale unfold of mystery, quest, passion and buried tragedy, as Stanton's past is slowly dis-

Stockwell) and sister-in-law And that beckoning mystery is (Aurore Clement) scrape away extended to the dramatis perthe topsoil; Stockwell zooming off to the desert to haul his sibling out of oblivion and returning with him to the couple's home to confront him with his (Stanton's) seven-year-old son (Hunter Carson) whom the couple have cared for during his father's unexplained four-year disappearance. Then Stanton himself, his son and finally his long-lost wife (Nastassja Kinski) converge to enact the final exhumation.

Inspired by Shepard's Motel Chronicles, the film has a trajectory that is quite magical: trajectory that is quite magical:
from discord to harmony, loneliness to communion, wounded
sillence to confessional loquacity. The last act, played out
in long duologues in the glasspartitioned labyrinth of a sex
partitioned labyrinth of a sex
accounter palace, sees illusion
and proteotise religious melt at
the strice at least one Hollywood
and protection of the Edinburgh Film Festival on Super-8 and blown up (withfestival and more of
to many shrappel wounds)
to 35 mm.

German Pictures gives us
another kind of culture shock.
The last act, played out
in long duologues in the glasspartitioned labyrinth of a sex
tween Sunset Boulevard and
and more of
the Edinburgh Film Festival on Super-8 and blown up (withfestival and more of
to many shrappel wounds)
to 35 mm.

German Pictures gives us
another kind of culture shock.
The last act, played out
tributes to this direction of the community of the strice of the counted parts of the counted parts of the strice of the counted parts of the counted par last into truth and releasing blockbuster per day.



Nastassia Kinski with Hunter Carson in a scene from "Paris, Texas"

spiritual stories at least under-pin the dramatic one. There is Stanton's "rehabilitation " from a life of fear and flight; an emotional vertigo figured forth for us in his love of keeping close touch with the earth. (He'll walk vast distances rather than step into a car; he won't fly; he even cleans the shoes of his brother's family one night, as if they were the sacred touchstones of man's need for

terra firma.) And there is the El Dorado hum of exoticism in "Paris, Texas," the half-horse desert town where Stanton has bought sight unseen an idiot piece of land (it's the place his parents first made love, he says) and whose name boasts a surreal beyond — beyond America, beyond probability, even beyond First his brother (Dean reach. (He doesn't get there.)

there are rich layers of subtlety gliding down a river current, even in the throwaway leit-plumaged warriors posed like motifs — human evolution from salnts in the niches of a broken dinosaurs to space travel is arch.)
rhymed with the conquest of The rhymed with the conquest of emotional frontiers — and both in its size and its ability to fill that size with meaning and beauty, Paris, Texus is one of the great films of recent years.

* The time to the unknown and unknowable, like Aguirre, Wrath of God without even Herzog's sustaining stem of the great films of recent years.

* The time to the unknown and unknowable, like Aguirre, Wrath of God without even the great films of recent years.

* Super-8 and blown up (with-

Under the Volcano. But all hail to Spinal Tap, Racing with the since they open in Britain during the next few weeks. Elsewhere, Edinburgh caught in its ample kilt at least three films which should now be

invited south. Diego Risquez's Orinoko --New World wings in from Venezuela and is an amazing pageant, scrambling history and fantasy together and celebrating (sometimes iconically, some-times ironically) the famous explorers who have stumbled upon the New World: Columbus, Raleigh, de Humboldt . . . The concatenation of European

and South American culture, Risquez (who also plays Raleigh) suggests, created a world in which neither side was And that beckoning mystery is extended to the dramatis personae. Both Stockwell's wife and Stanton's are played with accents alluring and talismanically adrift by foreign actresses. As in all Wender's best work, there are rich layers of subtlety gliding down a river current, when a stream of images, religious, tribal, folkloric or simply surreal. (A prone white horse there are rich layers of subtlety gliding down a river current, when a stream of images, religious, tribal, folkloric or simply surreal. equipped fully to understand the other and whose fecund

The Edinburgh Film Festival on Super-8 and blown up (with

tibly humane, funny and touching, one out cold, viz, John gandist, they pound on with poring, and quite thrilling in its Huston's talky and monolithic tentous national pride through symbolic intelligence. Two Under the Volcano. But all hail such topics as the athletic such topics as the athletic endeavours of the new German Moon, and the humbler but no-less-compulsive Repo Man, re-views of which are otiose here is the story of a boy who gave up sweets and became well liked"). and the greatness of the German metal processing industry. (Posi-tively Wagnerian this, with armies of tin cans and other reject bric-a-brac being recycled into "reines' klares" metal.)

of Nazism-he worked for the French resistance and narrowly escaped arrest by the Gestapomay be one of the tributary factors in his doomy, dedicated minimalism. "There is a certain grim pleasure in stating the worst perfectly." says the narrator in Sean O'Mordha's docuportrait Samuel Beckett--Silence to Silence, which is fuland somewhat illfocusedly overvoiced by actors who tend to sound like Michael

handkerchief. But there is information here and also enlightenment; plus a of Waiting for Godot, written (but of course) in a school exercise book and sporting Beckett's own original sketches. Edinburgh boasted other goodies: Richard Lowenstein's goodes: Richard from Australia, Allen Fong's Ah Ying from Hong Kong, Joel Coen's Blood Simple from the U.S., and a 40-film Japanese retrospective.

I still think there is room for

more specialised corners in the festival and more of the miniseasons and homages that used to proliferate in Edinburgh: tributes to this director or that cinematographer or that new But 1984 will do very well to be going on with And so will 1985, for ast into truth and releasing blockbuster per day. Some of before the main feature be. Jim Hickey gains the same these movies in so falling had tween the years 1935 and 1945, plenitude of Eastern and Western route the film is irresist- the unfortunate effect of knock- Though not confessedly propatern riches.

Black moments on the silver screen

CINEMA is the only artistic form in mythic stature. Being at the same time both larger than life and mass-produced, movies can purvey the lowest common denominator, while keeping the highest possible

profile. Let us make clear, however, that there are two kinds of bad film. As well as the kind we enjoy there is the kind we don't. The first, the good-bad film, is no penance but a joy forever, a work where just about everything has gone wrong but with such panache and innocence that you can't help having a

good time. The second category, by contrast, the bad-bad film, is unmollified suffering: movies that are undone not by endearing naivety but by enraging pretension

Accordingly, the following top 10 is divided rigorously between the The bad-bad films: The Human

Preminger came to Britain to turn Greene's haunting tale of beleaguered love and warring loyalties into a zombified thriller worthy of Bergerac on an off-day.

Up In Smoke. Surely the worst comedy in cinema history? Cheech and Chong, the famous Hispanic double act, have a wild and wacky time in drug-running Mexico, but we, the audience, do not.

theme, a woman's choice between two men. There is no hint of a sub-plot or anything like that. Yet the portraiture

clever, the dialogue so subtle



moussaka to their mouths.

Beyond the Valley of the Dolls History Lessons

WORST FILMS

The Human Factor O Thiassos La Pirate

Plan 9 From Outer Space Up in Smoke The Wife Contract The Wiz Theo Angelopoulos's O Thiassos musical comedy movies, this songfor any of his films except The and-dance version of The Wizard Travelling Players). Angelopout of Oz, is at once tuneless, jokeless los is the Greek director whose and doesn't move.

slow-paced films make you want to It is also the only film to star Digo out and do something more ex- ana Ross and Michael Jackson citing, like watching grass grow. and Lena Horne and yet to per-With the one illustrious exception, his epic minimalist style defice. See it, and you'll know why. lights in characters taking 10 min-Next, with a contrasting che Factor. Graham Greene, thou utes to walk across a Greek hilitop relief, we turn to the good-bad shouldst be livid at this hour. Otto or 15 minutes to lift a spoonful of films. Russ Meyer's glorious tribute

to the Jacqueline Susann-Harold Jean-Marie Straub's History Robbins axis of sex-and-hokum Lessona. This is the 1973 German novels, Beyond the Valley of the film in which Brechtian alienation attains criminal status. Wordless attains criminal status. Wordless the film was made as a buriesque; 10-minute shots taken from a car but intended badness, one could driving through Rome are intercut argue, is just as bona fide as unintended. with characters in togas reciting James Toback's solemnly ludic-

Sidney Limet's The Wiz Per rous thriller Exposed, where an- cial Times, Bracken House, 10 Can-

ev caressing with his bow the body of terrorist Nastassia Kinski is but one of many great crackpot mo-

Plan 9 From Outer Space. surely the finest of all Hollywood's unidentified flying fiascos. Who can forget the airborne dusthin lids posing as alien spaceships, or the tendency of Bela Lugosi to change size with each scene? (He died in midshooting and was replaced by a dissimilar double).

Jacques Doillon's enjoyable La

Pirate, a seriously intended (I think) French sex melodrama set in Calais, starring Jane Birkin (of the heavy-breathing chart-topper) and rejoicing in such lines as "I don't want to kiss you, I want to smash my teeth against yours."

And my personal discovery of recent years, James Tobalina's The Wife Contract, where the plot of dialogue of Falcon Crest and the result is immemorial chaos. Nigel Andrews

Tomorrow, the last in the series:

Not the top 10 A reprint booklet of this series will be available shortly, price £1.95. Cheques or postal orders, made payable to Financial Times, should accompany all orders, which ham, Publicity Department, Finanhaps the most remarkable of all archy meets eroticism and where non Street London EC4P 4BY.

Treats/Mill at Sonning

Christopher Hampton's is clever, and dull, and above rick with the friendly sternness has to weep, she turns her face Treats, first seen at the Royal all uncertain. His sentences, of a news editor briefing away from the audience, lest we court in 1974, has a very simple even it seems possible reporters. Things have got to should see that she is capable

Brecht in an unvarying monotone.

likely to be left unfinished. (Mr Hampton has in fact more or less brought him in from an of the two men, indecisive earlier play, The Philanthropist,
Patrick and decisive Dave, is so
Dave, unlike Patrick, is com-Dave, unlike Patrick, is com-pletely positive. He has just and amusing, that for me there come back from an assignment isn't a dull moment in the play. for his paper in Beirut. (It was This is not to say that Brian Cyprus in 1974; the political Stirner, the director at Son-references have been sensibly ning, hasn't done his best to updated throughout.) When he provide some. To begin with, left Bearut, he had been living he has cast two almost interwith Ann for 21 years. To find changeable actors as Patrick his place taken by "the office and Dave. The important thing bore" and his dog given away

that they may make sense, are be right, and clear, and decently expressed

At the Mill, David Ashton and Phillip Joseph, as Patrick and Dave, are simply a pair of identical actors. They look alike, they sound alike, their accents are the same, they speak their lines in an identical style. The innumerable subtleties of (Hampton is as specific in his accentuation which these roles stage-directions as Feydeau), no

As Ann, Catherine Owen emabout these two is that they to the newsagent is a situation phasises her neutrality by keepmust be to pu
must b phasises her neutrality by keeping her face rigidly expression. I recommend seeing this production in a few weeks when it has played

of registering emotion. Sometimes I felt that I was just overhearing a read-through. Douglas Heap has laid out

Christopher Hampton's detailed set ingeniously on the awkward doesn't correspond precisely with the stage directions (Hampton is as specific in his roles demand are scarcely harm is done. Treats is a good heard, and a lot of good jokes are lost.

As Ann. Catherine Owen emmust be to put on. I recom-

way in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chous line. (977 9020). Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, eliness incorporates down to the confrontation with his doting Jewish mother. (944 9450). Dreamgirls (Imperial): Michael Ben-

come a stalwart Broadway prese despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the lity of their music. (2396200). Nine (46th St): I'we dozen women sur-round Sergio Franchi in this Tonyaward winning musical version of the Fellini film 8%, which like the

original celebrates creativity, here

a series of Tommy Tune's excit-

ing scenes. (246@246). On Your Thes (Virginia): Galina Panova with presumably a genuine Bussian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977,9370).

Brighton Beach Memoirs (Neil Si-mon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences nong run or his runny as well as touching childhood reminiscences now that the Nederlander organization has generously decided to name the theatre after the generation's outstanding box office draw. (7578848)

Chorus Line (Shubert): The longestrunning musical ever in America has not only supported Joseph Papp's Public Theater for eight rapps rubus income in aget years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 fi200).

Noises Off (Brooks Atkinson): Derothy Loudon brings Michael Frayn's backstage slapstick farce to Broad-way in Michael Blakemore's producon that includes Brian Murray, Paxton Whitehead and Victor Ga her as her backstage conspirators. The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelli-

gentsia, with a new-found attention to the heart that beats beneath the veneer, arrived on Broadway in a cast headed by Jeremy Irons and Glenn Close, directed at a fast clip by Mike Nichols. (2396200). Glengarry Glen Ross (Golden): The Chicago cast from the Goodman Theatre provided David Mamet with a Pulitzer Prize for his latest work that pits fast-talking real estate salesmen against the world and

each other. (2396200). WASHINGTON

Quiliters (Terrace): Based on American uditers (Torrace): Based on American pioneer women's descriptions of their work in making quilt blankets, Molly Newman and Burbara Dam-ashek's musical arrives in Washing-ton between its modest origins in Denver and its ambitions for New York in autumn. Ends Sept 16. Ken-

TOKYO Cais (Cais Theatre), The special tent theatre, excellent set, good dancing and Kabaki-derived movement make the Japanese version worth seeing. Shiki Company, directed by Kerta Asari. (320 1001). Banraku (National Theatre): Like a smaller version of Kabuki, this pup-net theatre for admits parformed by

smaller version of Kabuki, this puppet theatre for adults performed by the Osaka Troupe makes one of its few yearly visits to Tokyo. Plays, all 18th century, include Ashiya Doman Ouchi Kagami (The White Fox of Shinoda) and Seishu Akogi Ura. Matinee and evening performances dally. This unique Japanese puppet theatre communicates powerfully: exceptionally skilled technique and virtuosity, detailed English programme notes. (2657411).

LONDON

Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an exotically ex-panding man-eating prickly plant.

panding man-eating prickly plant.
(9302578).
Pack of Lies (Lyric): A decent, enthralling play about the breaking of
a spy ring in the suburban Buislip of
1858-80. Hugh Whitemore's script. cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Chifford

fact and well directed by Clifford Williams. (437 3686).

The Real Thing (Strand): Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy nots of serious levity. (636 2660/4143).

Dalay Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing

improved third act. Michael Blake-more's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. ing folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling rehance on indiscriminate rustling around. Dis-neyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel No child is known to have asked for his money back. (8346184). leasure for Measure (Barbican): Ju-

Noble's resplendent production West Side Story (Her Majesty's): Clas-sic musical returns to its original London home with a fresh young

(131600).

Wild Honey (Lyttelton): Michael Frayn has reworked Chekhov's first play, usually known as Platonov, into an engagingly hilarinus farce. This superb dramaturgical feat has lan McKellen giving a brilliant performance at its centre and a shimperstraint design by John Campter The

On Your Toes (Palace): Rodgers and Hart's 1936 musical is a genuine tonic with Makarova lifting her heels behind her ears and finding a brilitent opposite number in Tim Flav-in. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchiae bal-let for Slaughter on Tenth Avenue.

A Little Hotel on the Side (Olivier):
New in the National's repertoire is
John Mortimer's felicitous translation of Feydeau's farce better
known as Hotel Paradiso, Benjamin

What are the problems with

FINANCIAL TIMES

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Friday August 24 1984

Second try by the left

months, the left-wing officials who speak for the dockers in the Transport and General Workers Union are threatening a national strike which is essentially in support of the miners force "blacking" in support of other unions. This is hardly a of the efforts of the Scottish great national cause; it is also, miners to restrict supplies to the Ravenscraig steel works.

Both sides seem on this occa-sion to have drifted more or less helplessly into a situation which nobody concerned seems to want, and which reflects little credit on anyone except the steelworkers of Ravenscraig, who are naturally determined to do al liney can to protect their own jobs—not to mention those of the dockers and miners who

The union's action can only be understood in terms of power and politics. It can hardly expect to bring the Government to its knees by threats to a stel-works which the British Steel Corporation itself recently wished to close down; but a national dock strike, if the call is made and proves successful, could if it is prlonged force the breaking action to protect the economy at large. The whole strategy of Mr Arthur Scargill and his sympathisers on the hard left is to provoke the angriest possible confrontation. and so, they hope, to revive flagging working-class solidarity. The strike threat cannot therefore be described as irrational; but we hope that ordinary working dockers understand the game they are being invited to play.

In this respect the new threat is not quite like the one which arose two months ago. At that time the union could still talk credibly of a possible Government threat to the dock labour scheme itself; and non-union labour had actually been used to do dockers' work at Imming-ham. This time round both the Government and the employers are publicly committed to the scheme, and there has been no "scabbing."

The ostensible issues here—ciliation. If all the activity is the fact that a ship berthed without tugboats, and that steel sense has little chance.

without "supervision" from dockers—cannot possibly be deemployment. It is simply about the power of trade unions to as it happens, a civil offence under existing law.

The law can hardly be men-tioned without drawing atten tion to the Government's re-markably passive role up to now. It has had enough pragma-tism to restrain the steel industry from protectin its inter-ests in the courts, but not enough to dissuade it from tak-ing what was known to be provocative action almost on the eve of the TUC's annual conference. It is at this conference that Mr Scargill is due to make his last-ditch attempt to broaden the pits dispute into some form of national disruption. If a dock strike is in progress at the time, the deep and potentially vicious divisions in the movement will be sharpened.

Only the foolish will derive any satisfaction from these divisions. The militant, embattled Left may not be representative, but it still has immense powers to disrupt; and embittered interunion relations can halt the progress towards realistic, flexible and constructive labour re lations which has been made recently. Everyone knows that it will be desperately difficult, when the fight is over, to restore decent working relations in the mines. It will be damaging for everyone—not least the unions—if such bitterness be-

comes more widespread.

It is still possible that the problem will resolve itself that the response to a strike call will be very limited, that the union will satisfy itself with a short demonstration of solidarity (which might be more widely supported) or that the strike, like the last, will be very brief. It would be improvident to rely on such hopes, though; and if a strike is mounted, both the TUC and the Government should move urgently for con-

Weizman's straw of the road that leads to the road that leads for Shamir

MR EZER WEIZMAN, a former Israeli defence minister, has pledged the support of his Yahad party to Mr Shimon Peres and the Israeli Labour Party in their efforts to build a new Israeli Government. The development gives Mr Peres a sporting chance of constructing a fragile coalition himself instead of continuing the weary negotiations on a government of national unity with the right-wing Likud party led by the outgoing prime minister, Mr Yitzhak Shamir, Such a national rut, the trade union federation with which the Labour party has close links, to agree to the need unity government still cannot be ruled out; but on balance a Labour-led coalition now seems for a social contract, as would the most likely outcome, and a grand coalition. the most hopeful one as well. The talks about the national

unity government have had a barren feel to them. Likud and Labour remained at odds on future policy on the West Bank
—whether the building of should be ready to surrender any of the territory in the West Bank and Gaza strip in nego-tiations with King Husseln of

to settle these crucial differ-ences. Try as the central bank might to emphasise the critical economic position of Israel, the public remained apathetic and the politicians intransigent.

To obtain an absolute majority mantle settlements as part of a Mr Peres will have to woo the territorial compromise. But Support of the National Religious Party with four seats and of Agudat Israel with two. The NRP would impose a greater degree of conservative religious orthodoxy upon Labour's progressive approach.

It would not hold for instance. with flights by E! Al upon the sabbath and would be most reluctant to make concessions over the West Bank. Agudat Israel would be a still more orthodox and reluctant ally of Labour, but even without it Mr Peres could hope to govern as a minority coalition because the four_Communist members of the Knesset and the two representing the "Progressive Party political basis for such a vention for Peace," while not members ture provided by a Labour Der of the Peres coalition, could be expected to support him over the most contentious issues.

ture provided by a Labour coalition could hardly be

The economy is the one area in ment might arguably have proved a better bet. In their exploratory talks the two parties were in broad agreement over the need for draconian cuts in public spending, increased taxa-tion and the need to control and modify the self-perpetuating inflation machine that feeds Israel's 400 per cent inflation straight back into wages. Yet it is possible that Labour may be as able to persuade the Histad-

Withdrawal

In the matter of Israel's external security, we have long felt that the Labour party's approach held out a greater settlements should be halted or chance for an uneasy long-term continued, and whether Israel peace than the hard military and nationalist line bequeathed by Menachem Begin to Yitzhak Shamir. It is now common ground between the Likud and Labour that withdrawal of Israeli forces from Lebanon Above all, there was not a Israeli forces from Lebanon sufficiently strong message of should be brought about as soon concern from the electorate at as possible, thus bringing the large to force the party leaders largely fruitless Lebanon adventure to an end.

On the West Bank one would hope and expect that a Peres government would halt the construction of new settlements and limit development to places where Israelis are already established. It is most unlikely The support of Mr Weizman that a Labour Government, gives Mr Peres control of some even one with a handsome 55 seats in the 120-seat Knesset. majority, would move to disterritorial compromise. But National Labour's policy would be a less open affront to both the inhabitants of the West Bank and the Arab world as a whole than Likud's and would make

> In contrast to Likud, Labour is willing to consider a trade of some occupied territory for guaranteed peace. If Mr Peres were able to assemble a coalition it would therefore offer a slim chance that a newly-elected President Reagan could pursue with King Hussein in Jordan the 1982 peace plan which



LONG THE waterfront in Port Stanley, the Falkland Islands' only two major conuments in remembrance of the two world wars have been joined by a third. The Libera-tion statue, paid for by the islanders as tribute to the sacrifices of the British Task Force is the most immeditely visible reminder of what occurred during three traumatic months in

For the lasting impression of Stanley today is of a small backward community not so differ-ent from an isolated township in the wilds of Scotland with inadequate housing and an indigenous population of less than 1,500. Their only refuge from the bitter Antarctic winds are their peat fires or the local pubs in which they can drown their

Finding a viable future for the islanders appears as intracable a problem as it did before the war. Most are resolutely against any accommodation with the Argentine mainland that might even hint at some future transfer of sovereignty. "When you've been forced to look down the barrel of a gun you are in no hurry to shake hands," says one local, echoing many more. This Buenos Aires correspondent has never felt as far away from Argentina—with all its surface sophistication—as dur-ing a 10-day stay among a people who dress badly, rarely

Photographs of dead Argentines are prohibited

worry about inflation, and who can hardly put two words of

Spanish together.
Periodically British fighter
jets screech along the estuary
and the drone of transport airand the drone of transport air-craft echoes across the barren hills. You can scarcely walk along a street at daytime with-outbumping into a soldier. At least two of the pubs have been turned into virtual mess rooms

itself. There is also the Com-mand headquarters built above the old Government House in lises the pre-eminence of the Armed Forces. From here the island's new military Commissioner General, Major-General Peter de la Billiere, co-ordinates the defence of the islands

director of the Special Air Service (SAS).
The troops are no longer bil-

The troops are no longer billeted in Stanley—as they were for at least a year after the war. But the islands' jagged coastline is protected by isolated detachments of Coldsteam Guards, some half a stream Guards, some half a dozen frigates, a nuclear submarine, and two converted tugs used as patrol boats by the Royal Marines. The term Fortress Fakklands, is an exaggeration. Nevertheless the military presence and the effect it has had on the islands as a whole should not be underestimated.

Arriving by air it seems of

Arriving by air, it seems at first as if the island is actually under military occupation. Stan-ley airport, badly damaged during the war, has been rebuilt and reinforced as the Royal Air Forces' current main base. The transit lounge is usually packed with soldiers occasionally screamed into a semblance of order by the sergeant on duty.
Incoming passengers — civilian
and military—are presented
with a typed sheet of paper,
warning that many of the fields in the area are out of bounds because of mines. Those leaving must read a list of prohibited items, which includes empty artillery shells and photographs of dead Argentines.

of dead Argentines.
Outside the main building the airport's single runway is flanked by hangars filled with Phantom fighter jets and Harriers. They are protected by Rapiers, and carriers and are array of additional and an array of additional equipment shrouded in camouflage nets. The Phantoms combined with three new early warning radar systems are the islands' first line of defence. They virtually guarantee that any fully fledged military invasion similar to that con-ducted on April 2 1982 could not be carried off without a

great deal of bloodshed.
Supporting the airport, its surrounding buildings and the rest of the estimated 4,000 rest of the estimated 4,000 troops on the islands is the military's new floating dock built at a cost of £22m by ITM offshore of Middlesbrough. With monthly imports of over 5,000 tonnes and exports of 2,500 tonnes, the flexiport's current annual trade flow is about £30m.

Some 9,000 square metres of warehouse facilities ensure that the troops on the islands are permanently supplied with ammunition, petrol and almost every product imaginable, ranging from bars of soap to souvenir stuffed penguins, and stry of Defence auspices. The including a generous list of Ministry's official line is that alcoholic drinks and foodstuffs, both frozen and fresh. The total deployment of troops to the the perceived threat from both frozen and fresh. The total deployment of troops to the Argentina. His last job was stock value at any one time is islands in an emergency—the

'When you have looked down the barrel of a gun, there's no hurry

FORTRESS FALKLANDS

By Jimmy Burns, recently in Port Stanley

to shake hands'

put at £12.5m.

The floating dock is proudly held up by the military as a symbol of efficiency and cost-consciousness. It is said that it will pay for itself within a year because fewer ships will be needed to supply the garrison and their turn-round time will

be far faster.
The dock, however, has come The dock, however, has come dangerously close to upsetting the good relations with the civilian population which the Army has worked so hard to foster. Most of the troops have managed to live on the islands without vasily disrupting the islanders' lives in marked contrast to the damage wrought by the Argentines during their hapless defence of the islands.

Nevertheless, the islanders have been offended by the sight of army trucks daily depositing surplus stocks in the rubbish tip on the outskirts of the town a process which locals allege is particularly pronounced whenever there is a regimental change-over each quarter.
"When you've been used to

using everything all your life, it makes one feel like crying to see such waste," says Mrs Velmer Malcolm, the elderly e Even more ambitious than the floating dock is the islands' brojected new airport currently being constructed by Laing Mowlem and ARC under Ministry's of Defence auspices.

Ministry's constructed by Laing Wider political within a few years, there have been no further details offered about possible non-military tuses.

Wider political within a few years, there have been no further details offered about possible non-military tuses.

Wider political within a few years, there have been no further details offered about possible non-military tuses. secretary of the Falkland Island

and video production com-

to invest in the new privatised "son of the NFFC." Could

Hassan find himself back on the

Whatever happens, Hassan is

going out on a high note. The latest batch of films which the

NFFC helped to finance are

'Another Country" is said to

be doing exceptional business in New York and Los Angeles, and there are high hopes for

"Dance with a Stranger," based on the life of Ruth Ellis, the last woman to be hanged for

nurder in England.
The film, produced by Roger

And I cutter, was directed by Mike Newall from a script by Shelagh Delaney. It was chosen on the basis of early rushes for

the gala performance at the

Toronto Film Festival

What if Video Arts decided

is unable to take any wide-bodied jets and thus involves a costly airbridge link with Britain using Hercules trans-ports which have to be refuelled in flight between Ascension Island and the Falklands.

Once the airport is built, so the argument goes, the garrison will be able to be run down, thus reducing the cost to the British taxpayer of the current defence commitment in the

Most islanders see the new airport at Mount Pleasant as the most visible proof of Mrs Thatcher's determination to retain sovereignty. Yet there has been surprisingly little local discussion about the impact the new airfield could have on the islands.

islands.

Lord Shackleton was only the most recent advocate of the islands' development to insist that a modern airport capable of linking the Falklands to the outside world on a regular basis would be a key part of any plan to put the fragile local economy on a more stable footeconomy on a more stable foot-

£35m Shackleton estimated, but on local policy issues.

tions appear to be behind official reluctance to publicly discuss the future character of Mount Pleasant. There is much local talk that the airport could and

a major listening and control post of particular importance if the Panama Canal is cut off and links between South America and Western Europe need to be maintained around Cape Horn. maintained around Cape Horn.
Equally there is talk of the
airport as a staging post for
British exploration of
Antarctica in the 1990s.
But for the moment all this
is speculation. It is clear that
construction has proceeded
with remarkable speed and that
the British Covernment seems

the British Government seems in no hurry to complicate any negotiations with Argentina by being too specific about the

airport's purpose.

The estimated £3bn earmarked for the garrison and the replacement of lost equipment over a five-year period (1982-87) is certainly in striking contrast to the £30m which will be spent over the same period on the "development" of the islands. Local officials admit privately that the sums set aside will not be sufficient to bring about a major transforbring about a major transfor-mation of the island economy. The money is likely to be adequate only to keep the islands going, and to arrest the depopulation that was taking

place before the war.

Last year 30 islanders who left for the UK during the conflict returned and there were 40 new immigrants. But a trickle of disillusioned islanders has been leaving Stanley in has been leaving Stanley in recent months. "We are not expecting mass immigration or mass investment

in the future. The best we can hope for is to get some more islanders back," says Mr Simon Armstrong, the general manager of the Falklands Island Development Corporation which was set up recently by White-hall and the local government

A key part of the development strategy is to improve the productivity of the island's most important "industry," most important "industry," sheep farming, through grass-

The two faces of the Falklands: She ep farmer Bill Luxton, and British troops, examining a piece of A rgentine artillery on Mount Longdon expected to continue in the future at a rate of about two farms a year. For the moment, however, officials appear reluctant to implement the more far reaching agricultural reforms recommended by Lord Shackleton, preferring to operate along lines already established in the past.

Thus, two and a half years after the war, the position of the Falkiands Island Company in the island economy remains virtually untouched. The FIC produces over 40 per cent of the islands' wool, operates the

the islands' wool, operates the main civilian internal and external cargo service, and owns Stanley's main supplies store, the West Store. In the past the FIC was the whipping boy for the islands' underdevelopment, but since the war its officials have gone out of their way to underline. out of their way to underline their commitment to the islands' future and their adaptability to the changing circumstances.

"You could say that change has been forced upon us," says Mr David Brittan, the FIC's recently appointed general

machinery, horses, sheep and a new school at the main settlement in Goose Green as evidence of their commitment. But most of this simply replaces material destroyed in the war and is financed by a £15m

Houses without electricity and running water

sign of new investment by the

The FIC's most significant new move so far has been in fisheries. It has signed a contract with the Japanese comhall and the local government to supervise and finance economic change on the islands. It is part of a general revamping of the island administration which has included the appointment of Mr David Taylor, an energetic former director of Booker coming under increasing pressure from Falkiand islanders to coming under increasing pres-sure from Falkland islanders to McComeil to the post of chief sure from Falkland islanders to
The £215m new airport is executive. Mr Taylor advises declare a 200-mile fishing zone
osting far more than the £30and co-ordinates with Sir Rex so as to conserve stocks and at
osting far more than the £30mHunt, the Civil Commissioner, the same time to ensure a steady income by the issue of Many Foreign Office officials

would agree with the second the war. It argued that the best guarantee of an effective manlands improvement and the agencia and conservation of transfer of farms to individuals. fisheries in the area is joint Many are still owned by exploration in collaboration absentee landlords. Three farms have been transfishing zone would create a new ferred since the end of the war source of teasion and incurand farm subdivision is additional surveillance costs,

The man who is to guide the fortunes of Woolworth's for the next five years, with the aim of bringing some of the sparkle back to Britain's largest store chain, is to be 42-year-old Geoff Mulcahy.

He has been made chairman and chief executive of the 800 or so main Woolworth stores in the High Streets as well as becoming managing director for the whole group.

This includes large super-stores, the B and Q do-it-your-self chain, and the recently acquired Comet electrical discount stores.

Mulcahy has been close to John Beckett, chairman of Woolworth since a financial consortium bought the stores chain from its U.S. parent in late 1982. Surprisingly for someone who

is effectively to be in charge of a retail group that has more space than Marks and Spencer, Burtons and British Home Stores combined, Mulcahy does not have a retail background. Armed with a chemistry and physics degree his career has been largely spent with Esso

and with British Sugar, where he met Beckett. Mulcahy does not think you need to be brought up a retailer to run a large group

"The job is about managing change and developing strategy," he tells me, "and making sure we offer a consistency of approach."

Mulcahy, moreover, will not be entirely on his own. Beckett is bringing in a number of bright young retailers. These include, Richard Harker /ex-Asda) and Colin Brown (ex-Littlewoods). They have been named joint managing directors Likud so roundly rejected. The of the main High Street opera-

Despite some success over coalition could hardly be described as solid — but the solidity of the alternative government of national unity promises to be the solidity of deadlock.

the past 18 months in refurbishing the woolworth image, ing the woolworth image, nobody doubts that the new team faces a tough challenge in getting the group back into top deadlock.

the past 18 months in refurbishing the move raises some interesting thoughts. The body replacing the NFFC will be manufacturing costs down to the manufacturing costs down to which this tenuously based promises to be the solidity of getting the group back into top Government will have to deal?

Men and Matters

board? ·

ooking good.



"Hey let's see if Ian Mac-Gregor and Arthur Scargill are on 'Call my bluff.'"

Off screen

Mamoun Hassan, managing director of the National Film Finance Corporation is privatis-

Hassan, anticipating action by the minister for films. Kenneth Baker, resigned earlier in the summer. This was just before the long-awaited film industry White Paper which recommended replacing the NFFC with a private company.

Hassan is joining Michael Peacock's video and film inde-pendent, Video Arts. Peacock, former chief of programmes at BBC2 and Controller of BBC1, plans to push ahead into feature films and Hassan will produce several films and supervise the production of others.

Food for thought A dozen journalists' launched

with evident pleasure in London yesterday on morsels of "chicken, cold meat pie and steak pie" produced by RHM, the bakers, in its laboratories at High Wycombe. It was a meal rich in protein, high in fibre, low in fat and

devoid of cholesterol, according to RHM scientists—and, of course, did not contain a bit of

meat or poultry.
For 20 years RHM has persevered in pursuit of its dream of introducing a truly novel food, and now embarks on what it and now embarks on what it happily describes as "a joint venture" with ICL called New Era Foods. The Government is chipping in £1.5m in the cause

for ICI's biotech activity on lees-side. Each bite at yesterday's lunch cost RHM a few pounds, says research director Jack Edel-

man. That is the cost of making the raw material—a kind of the raw material—a kind of micro-mushroom called myco-protein—and fashioning it into a facsimile of chicken or ham. Unilever, which has helped RHM with some test-marketing. whole 'chicken" but the expense was horrendous.

Oil-seed

So many sunflowers have been sprouting on North Sea oil plat-forms this summer that rumour suggests many companies are extracting oil from them to

boost production.

But the reason for the floral display turns out to be a competition, organised by McAlpine Humberoak, the offshore engi-neering and construction com-pany, to see who could grow the tallest and biggest sunflowers. Money raised from the contest is going to the Royal Scottish Society for the Prevention of Cruelty to Children.

Thirty-three oil and gas platforms took part — and two-thirds of them managed to raise sunflowers well over one metre tall. But BP Forties Bravo grew the tallest flower at 4.58 metres, and Britoll Beatrice AP cultivated the biggest flower with a diameter of 60 cm.

Tales of sabotage attempts are rife among the growers.
One swears his flowers were decapitated by a predatory helicopter whose pilot observed:

It's a lot less bovver with a

Water-line

From the Irish Times: "Water restrictions have been imposed in some parts of the country because of drought. We cannot confirm the story, however, that a notice has been displayed in a swimming-pool somewhere in the south-west saying: "Because of water shortages, lanes one, two, seven and eight have been

Observer

BASE LENDING RATES

LB.N. Bank 101%!	Hill Samuel510}%
Allied Irish Bank 101%	C. Hoare & Co 101%
imro Bank 101%	Hongkong & Shanghai 101%
Henry Ansbacher 101%	Kingsnorth Trust Ltd. 10 %
Associates Cap. Corp. 101%	Knowsiey & Co. Ltd. 11 %
Sanco de Bilbao 101%	Lloyds Bank 101%
sank Hapoalim 101%	Mallinhall Limited 104%
SCCI 101%	Edward Manson & Co. 12 %
Sank of Ireland 101%	Meghraj and Sons Ltd. 101%
lank of Cyprus 101%	Midland Bank 101%
lank of India 101%	Morgan Grenfell 101%
or prorraine 10130	National Bk. of Kuwait 101%
Sanque Belge Ltd 101%	National Girobank 104%
arclays Bank 10}% eneficial Trust Ltd 11}%	National Westminster 101%
rit. Bank of Mid. East 101%	Norwich Gen. Tst 101%
rown Shipley 101%	People's Tst. & Sv. Ltd. 12 %
L Bank Nederland 101%	R. Raphael & Sons 101%
anada Permn't Trust 101%	P. S. Refson & Co 101%
ayzer Ltd 101%	Roxburghe Guarantee 113%
edar Holdings 12 %	Royal Trust Co. Canada 101%
harterhouse Japhet 10}% _	-
TATTO ********* TEL 30	J Henry Schroder Wagg 101%
itibank NA 101%	Standard Chartered1101%
itibank Savings 112 %	Trade Dev. Bank 101%
lydesdale Bank 101%	TCB 101%
E. Coates & Co. Ltd. 114%	Trustee Savings Bank 101%
omm. Bk. N. East 101%	United Bank of Kuwait 101%
onsolidated Credits 12 %	United Mizrahl Bank 101%
o-operative Bank*101%	Volkskas Limited 101%
he Cyprus Popular Bk. 101%	Westpac Banking Corp. 101%
unbar & Co. Ltd 101%	Whiteaway Laidlaw 11 %
uncan Lawrie 101%	Williams & Glyn's 101%
T. Trust 111%	
xeter Trust Ltd 11 %	Wintrust Secs. Ltd 101%
irst Nat. Fin. Corp 14196	Yorkshire Bank 101%
irst Nat. Secs. Ltd 13 %	Members of the Accepting Houses Committee.
obert Fleming & Co. 101% *	7-day deposits 7.25%, 1-month 8.00%, Fixed rate 12 months (2.50)
	2.W 4. Pixed rate 12 months /2 mn

orkshire Bank 101% embers of the Accepting Youses mmittee. # Guinness Mahon 101% 8%. 250,000 and over 8%%. 4 Call deposits £1,000 and over 7%%. Hambros Bank 101% 1 21-day deposits over £1,000 82%.

Demand deposits 74%. Heritable & Gen, Trust 101% 1 Mortgage have sate.

"WE'RE not a moderate union," says one senior official of the Electrical, Electronic, Telecommunications and Plumbing Union, with pride and relish. "We're a right-wing

characteristic of the EETPU: the unique blend of the union attracts controversy like a magnet. It is steeped in its past, ye, I more than most unions, looking hard towards its future, drawing together within itself such disparate elements as microchip workers and medie-val guild remnants.

The particular issues change, bu all are rooted in the mix of union's near-formal isolation from much of the UK trade union and labour movement, and its own rock-solid belief in a link between its leaders and members.

Current controversies include its shorp and public criticisms of both the morality and prac-tice of the miners dispute, especially its accompanying violence; the EETPU's so called "no-strike" agreements, often with Japanese companies; and its attempt to secure the TUC's re-commitment to Nato. All these will once again thrust the EETPU into embattled pro-mineuce at the TUC Congress in 10 days.

At last year's TUC, the EETPU was on top—at least partly because Frank Chapple,

its outstanding and antagonistic gesneral secretary, was TUC president. At the culmination his trade union career-Mr Chapple is due to retire after this year's TUC Conress he set the tone in the wake of Labour's shattering electoral defeat in June 1983 for a thorough re-examination of trade union policies and practices that come to be called the "new realism."

Now, EETPU leaders recognise that succeeding events— the NGA dispute, GCHQ and the miners' strikes—have dealt the new mood a devastating, possibly fatal, blow. But they argue vociferously that the problems which new realism attempted to counter will not

Internally, more than most mions, the EETPU has doen so. Following the pivotal court battles 25 years ago which finally ripped out of the union its corrupt, Communist leadership—"an incomparable turn-ing point for me," Mr Chapple still says now—the right-wing leadership set about root and brane reform of the union.
Its assault on the left, that

has created enmity and divi-sion, with sustained charges against the leadership of inexorable centralisation, shutting down opposition, and re-mould-ing the union in a right-wing mirror image of its old Communist days.
In reply, the union's leaders



The present and the future: Frank Chapple (left) and Eric Ham

Britain's electricians

union that marches on its own

By Philip Bassett, Labour Correspondent

gamble. "They may fail. These

point to the EETPU's unrivalled computer-based direct com-munication with and reflection of its 395,000 members—not its activists who, left or right, are by definition unrepresentative, in the EETPU's code.

Externally, its most notable responses to change have been its drive, followed by other unions, to recruit members in the "sunrise" new technology industries, and its pioneering of

industries, and its pioneering of "no strike" deals \ Roy Sanderson, the EETPU's succinct, pragmatic and highly competent engineering officer, seems to embody the spirit of business or enterprise unionism for which the EETPU is abused by the left.

Mr Sanderson is the principa architect of the "no-strike" deals. "They are an attempt to find a new way of solving disagreements between the company and the trade union," he says. "Normally we solve them in Britain by a trial of strength," which often damages both the company and the

agreements may fall flat on their face and in a few years' time the people in these companies may return to the same old bad habits that we have had in Britain for decades," he says. "That's a possibility. But even if that happens the experiment has been worthwhile."

The EETPU's top-level union critics are more idealistic, seeing these deals as conceding fundamental rights which are not the EETPU's to sell.
But on the shopfloor, employees working under such agreements take a more practical view. Mrs Joan Griffiths, EETPU shop steward at Toshiba, where the first of these deals was struck, says: 'It's no good my going in and asking for a £20 a week rise if I know that our profit is way down, because I would know then that the job security of which we are aware and fight-

help to draw a plethora of endorsements: Mr Tom King, Employment Secretary,
"warmly welcoming" the
union's training standards; Sir
Walter Marshall, chairman of the Central Electricity Generat-ing Board: "Your union is a haven of commonsense and rational thought"; Mr Neil Kinock, Labour's leader, "most impressed" by the EFTPU's ducation work; and Mr Parry Rodgers, personnel director of Plessey: "They are probably the best union we deal with."

But they also prompt the most savage criticism in the union movement. "The EETPU, and Chapple in particular, are an embarrassment. says one senior union left-winger. "Not just to people like me—but to the centre, and even the right." No, says a right-winger—but "it has been a bit clumsy in recent years. "Genuinely eccentric," says one general secretary.

Such initiatives as these and hits back in kind. Mr Chapple, the EETPU's extensive comin his forthcoming autobiomitment to union education graphy. is satisfied.

almost everyone, even those who might be his supporters: Clive Jenkins is a "pipsqueak"; Neil Kinnock a "political eunuch," Terry Duffy "not one of nature's great tacticians"; Tony Benn a "postical knave and double-dealer"; David Basnett "so often weak and vacilating"; Arthur Scargill a "big-mouth and a raging ego-

maniac.

Populist, charismatic, rough,
Mr Chapple comes from the
hard school of the Communist
Party which he now loaties and can both give and take the knocks. "I'm the man they all love to hate." he says. Belligerent and autocratic, his belief in the supremacy of the ordinary

union member is unswerving.
Mr Chapple's departure from
the union and the TUC will leave a gap which will be filled, though in a different way, by Eric Rammond, general secre-

Mr Hammond is in Mr Chapple's mould—be describes, for instance, political strikes as "total nonsense" and raised hackles by describing miners' leaders as "nursery revolutionaries"—but he is no clone. EETPU colleagues see him as

EETPU colleagues see him as more opaque than Mr Chapple, and less acerbic. As one union general secretary said: "Eric says the same things as Frank, but he says it with a smile."

Both both are united behind the EETPU's theoretical principle. "The EETPU is different and proud of it," they say in their presentation decument on the union which will form the the union which will form the basis of the EETPU's unprecedented "sales" trip to Japan in October to woo companies to

reach agreements with them.
The real challenge posed by
the EETPU to other British
unions lies not in its aggression,
in its own vision of its democracy, in its politics—but in the

work its members do.
"It's not just high-tech companies or no-strike deals," says
one union competitor. "In most workplaces there is the increasing introduction of electronic technology in ordinary jobs all of which needs maintenance That is their main growth area."

growth area."
In a changing world, the occupational base of the EETPU's membership is more assured than most unions. As Mr Chapple says, with some doubt that other unions will be able to take his advice: "It might seem presumptuous to claim that ours is a model union.

"There is much more to be done by my successors, but we have worked with considerable success to remove the union's inadequacies and faults, to inno-vate and to create a union for today and tomorrow. The rest of the movement might do worse than follow our example."

*Sparks Fly! A Trade Union
Life, by Frank Chapple. To be
published on September 3 by
Michael Joseph; £10.95. U.S. Treasury bonds

The difficulty of whetting foreign appetites

By William Hall in Washington

markets. Ideally, this would have been in bearer form which

the Treasury is permitted to

such an instrument would face, the Treasury has emphasised that it has no plans for such

that it has no plans for such issues and the new securities will be sold as part of the Treasury's regular scheduled auctions, with the first coming as early as next month.

To make the new securities more attractive to traditional Eurobond investors, the U.S. Treasury plans to fit them with with an annual interest pay-

with an annual interest payment, unlike normal U.S. securi-

ties, which carry six-monthly

The problem of proving that the beneficial owners of the specially targeted issues are not

U.S. citizens or residents is

particularly difficult. An investor has a choice of holding

the new security directly, or through a financial institution.

In the first case, the investor's name will be known to the U.S.

Treasury but in the second case it will not, and all that is required is that the institution

then sells some of the paper, which it continues to hold in a

nominee account, to an investor

Credit Suisse is obliged to certify to the U.S. Treasury

that the buyer is a non-

"They maybe telephone Deutsche Bank or get a piece of paper from them," said one U.S. Treasury official, who admits that the Treasury has not set any firm guidelines on

interest payments.

Many describe the

as confusing

ing the U.S. deficit. We have been able to do it with no problem. The question is can we do it a little cheaper. We do not know the answer, but we intend Thus Dr Beryl Sprinkel, U.S.

Under-Secretary for Monetary Affairs, and one of the senior Treasury officials spearheading a public relations campaign aimed at convincing a sceptical international investment community that the Treasury is determined to sell more of its debt to foreign At the last count, a mere 10 per cent of the \$1.56 trillion

(billion billion) in outstanding U.S. Treasury borrowings was held by foreigners, and of this three-quarters was owned by official institutions. So the Treasury has plenty to shoot for if it is determined.

When President Reagan repealed the 30 per cent with-holding tax on interest paid to foreigners holding U.S. Securities on July 18 this year, a shiver ran through the Eurobond market. The move was clearly designed to make it much easier for foreigners to buy U.S. bonds. Was this the death knell for the Eurobond market, it was asked, After the initial excitement

had died, it became apparent that the repeal of the withholding tax was only one of several obstacles — and certainly not the most important — which had to be removed if the Treasury was to stimulate a healthy foreign appetite for its

paper. Last week, Donald Regan, U.S. Treasury Secretary, unveiled the Treasury's plans for tapping the foreign markets for funds, in a brief three-page

A few days later, the Internal Revenue Service (IRS) released its temporary regulations implementing the U.S. Treasury's decisions, and international investors and their advisers found to their horror that the IRS regulations came to over The regulations came to over 100 pages with more to come. The regulations have been described as confusing and ambiguous, and some investment bankers in New York, who have spent years working for the repeal of the U.S. withold-

WE HAVE no difficulty financ- ing tax, even suggest that some what information it requires, We have rules are unworkable, no prob- The Treasury's big new can we do weapon for tapping the overseas dollar markets is a registered obligation targeted at foreign

what it is doing.

However, the same official warns that if a foreign institution is found to be not playing the game and falling to insist on adequate certification, then market. However, sensitive to the Treasury has the authority the political opposition that to impose a withholding tax on all interest payments due.

The certification issue is just one of several problems which

have been thrown up by the IRS's new ground rules and strengthens the belief that unless further substantial modifications are made, the Treasury's efforts to raise a significant amount of new

money overseas will flop.

The early impressions are that the new rules are more onerous than earlier IRS rules are than earlier IRS rules. on bearer bond issues by U.S. corporations, Nothwithstanding the fact

that one of the Treasury's prime objectives with its new debt financing techniques was to encourage a more international role for the world's capital markets. The new rules appear markets. The new rules appear to increase the segmentation in the financial markets. On the one hand, the Treasury is allowing the issue

of bearer bonds by U.S. copora-tions, but is also insisting that if the bearer bond is subsequently bought by a U.S. citizen, it has to be converted back into registered form. This undermines the liquidity of the secondary market for such bonds. In addition, there is a danger that U.S. owned institu-tion will be subjected to tougher holding the security certifies scruting that the beneficial owner is not firms. scrutiny by the IRS than foreign

U.S. citizen.

If foreign investors

The U.S. Treasury argues that aware that the IRS can make a check call on a U.S. broker's the C.S. Ireasury argues that aware that the Irs can make a the certification is a relatively check call on a U.S. broker's simple affair. For example, if London office, they will be Credit Suisse buys part of a tempted to push their business targeted U.S. Treasury issue and through offices of brokers less susceptible to the IRS's scruting.
The U.S. Treasury appears to be somewhat shocked by the early criticism of its efforts to make its funding base more international, but it admits its initiative is very much an experiment. What remains experiment unclear is whether the Treasury has the will to risk the wrath of Congress by substantially modifying its plans to raise money overseas if the present initiative falls, as seems likely.

Common Market in cars

From the Director, Society of Motor Manufacturers and

Sir,—Your leader "Common Market in cars" (August 21) causes me great concern be-cause it presents only one side

of a complex argument You quote the figures produced by the European Bureau of Consumer Unions (BEUC) in support of your argument. These figures must be treated with caution since the nine cars chosen are all low volume, high specification models only one of which is manufactured in Britain, and which together accounted for less than 2 per cent of the UK car market in

the first half of this year.

I agree wholeheartedly that it might be better to attack the impediments that prevent market forces bringing prices into line, but it is not true that those impediments are the exclusive dealerships. Rather the impediments are those identified by the European Parliament, the Commission's Economic and Social Committee and even the Commission's Competition Directorate, i.e. differing tax regimes, differing inflation rates, exchange rates

and price controls. The so-called 12 per cent clause will not bring retail prices into line throughout the Community as long as tax paid on the purchase of a vehicle can vary from 14 per cent (West Germany) to 215 per cent (Denmark).

In the last sentence of your leader you acknowledge the present trend towards lower car prices in the UK. You give no credit to the improved competitiveness of the Delich bearing tiveness of the British-based industry. The painful restructing of the industry and its undoubted achievements may well prove to have been to no avail

Letters to the Editor

if precipitate, action is taken. Anthony Fraser.

Halkin Street, S.W.1, Settling disputes

peacefully From the Director-General, Institute of Directors

Sir,—I was very interested to read Eric Hammond's letter (August 20) prompted by the recent IoD paper "Settling dis-putes peacefully," on the role of final offer arbitration in binding procedure agreements. The objective is to stimulate

debate on ways to improve industrial relations in Britain. Our suggestions are not presented as a pancea, but we do believe that we have identified the direction in which we should move. An increasing number move. An increasing number of people, including many of the trade union movement, like Mr Hammond seem to share that belief.

We fully understand that binding pendulum, or final offer, arbitration forms part of a total package in the agreements entered into by the Electrical Electronic Telecommunication and Plumbing Union. We concentrated on the arbitration issue because we believe, in the light of evidence from the United States, that this method of settling disputes could have application in the essential services in Britain. I would cer-

tainly agree with Mr Hammond that final offer arbitration in the private sector could not be divorced from other elements of

We all have an interest in exploring ways in which disrup-tive action, with its threat to profitability and jobs, can be avoided. Employers will no doubt be looking closely at the EETPU agreements to see how they work out in practice.

Our first aim, therefore, is to stimulate open discussion of the issues, not least with those trade union leaders who recognise that the prosperity and welfare of their members depends on finding less damag-ing ways of settling disputes. (Sir) John Hoskyns, 116 Pall Mall, SW1.

Appointed by shareholders

From the Managing Director, Webb-Bowen International.

Sir, — Jonathan Charkham (August 9) quite rightly argues that non-executive (or independent as he calls them) directors should be regarded as directors should be regarded as an essential presence on any board. Unfortunately, all too often in Britain at the moment they are regarded as something unusual, even as a sign of "progressive" thinking on the part of those companies who have them.

Yet it is perhans one of the

Yet it is perhaps one of the weaknesses of British board-

room practice that the decision to appoint non-executive directors is almost always that of the chief executive and his board of full time executive directors. In Germany and France, and even in the United are appointed by the share-holders. In large public cor-porations ethese "shareholders" will often be the institutions. Unfortunately financial institutions are somewhat reluctant to interfere in the day to day running of companies by wishrunning or companies by wan-ing to appoint non-executives. Banks in particular tend to hang back until disaster threatens, when it is too late.

Among the drawbacks of proposed EEC company legislation such as Vredeling and the fifth directive are the fact that they put the cart before the borse. If British boards of directors have their weaknesses, it is not because of the absence of "representatives of the work force" or even because of in-sufficient consultation but the absence from too many board rooms of people appointed by shareholders to take a dispassionate look at the present running and future developments of the corporation. M. I. Webb-Bowen.

27a, James Street, WC2.

This little piggy ...

From Master M. Spinks Sir,-I cannot save £1 coins in my piggy bank like Dr Gerhard from the Royal Mint says (August 15) because my piggy bank is a Midland Bank elephant and the opening for the money is not big enough! Michael Spinks. Tantons,

Chislehurst, Kent.

xecutive who Does it surprise you that the FT reaches more Chief Executives in the UK than any other quality national newspaper*.

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*The European Businessman Readership Survey 1984.

Bootle as a no-go area for Health and Safety inspectorate

From the Assistant General Secretary, Institution of Professional Civil Servants

Sir,-David Evans' sanguine speculations (August 10) about increased productivity in the Health and Safety Executive (" How a little camaraderie helps boost productivity ") will not bear the weight of close inquiry. Successive Government spending cuts have left HSE's Inspectorates more than 25 per cent below their targeted strength. HSE has either abandoned large areas of Asbestos Licensing, where public opinion will not permit a retreat; it has cut the public's protective suit according to the protective suit according to the cloth it has been provided with. cloth it has been provided with Perhaps a quarter of the country's farms will never receive a safety visit from an HSE Inspector, and the Nuclear Installations Inspectorate is able to resource the Sizewell inquiry only by abandoning

corporate services is a lonely figure in discovering increased morale and productivity. Dispersal has in fact been the expensive occasion for a disas-

trous decline in productivity. The HSE admits that dis-persal was thrust unwanted upon it. Its quoted cost of £21m is at 1980 prices, and Government Ministers have to this day refused to provide a contemporary estimate of dispersal costs. and have declined to provide any information as to the extent any information as to the extent to which the original estimates reflect recurrent as well as immediate costs. Apart from continuing compensatory pay-ments to uprooted staff, HSE is faced with the necessity of maintaining a large presence in London as well as Bootle. Increased communication costs thereby incurred include (re-

other areas of nuclear work.

Morale is at an historically low solution, as well as the capital cost figure in discovering increased manyles and productivity. This of telephonic and telegraphic characters are not one which the Executive would have willingly chosen. Chief nuclear inspectors have expressed their missivines. In equipment. It would be interest-ing for Mr Evans to provide a break-down of savings set against increased costs, and for him to say over what period the "savings are expected eventually to wipe out the costs

dispersal." This institution bas published a case outlining the dangers of allowing the dispersal to Bootle of the nation's nuclear watchdogs. It has submitted similar evidence to the Sizewell inquiry which has not been contested. The Select Committee on Energy and the Advisory Committee for the Safaty of Nuclear mittee for the Safety of Nuclear Installations have separately recommended that unless a convincing case can be put forward it should be halted. A former Director-General of the Health 175-79, York Road, SE1.

mot one which the Executive would have willingly chosen. Chief nuclear inspectors have expressed their misgivings. In a recently conducted poll over 95 per cent of NII staff expressed a total refusal to move. pressed a total refusal to move. The National Audit Office is currently undertaking its own investigation into the move, and Mr John Gummer, the Minister of State responsible recently, announced that the dangers of allowing the large numbers of NII staff concerned with Sizewell B to disperse were sc great that he had temporaril, shelved the plans for their move. No case for ultimately packing the NII off to Bootle has ever been made out, any where, by anybody, at any time.

Peres in

talks on

unity bid

By OurTel Aviv Correspondent

MR SHIMON PERES, Israel's

morning to meet Mr Yitzhak Sha-

mir, the outgoing Prime Minister, to persuade him to bring his Likud bloc into a national unity govern-

ment headed by the Labour Party. Mr Peres, whose hand has been

strengthened by his party's alliance with Mr Ezer Weizman, a former

Defence Ministerand leader of the

Yahad Party, will try to form a nar-

row coalition if Mr Shamir does not

Negotiations between the Labou

Party and the Likud bloc on the

creation of a national unity govern-

ment have lasted for three weeks

without producing agreement on a

common policy.

Labour won 44 seats in las

whose four Knesset seats are vital

if Labour is to form a narrow coali-

tion, was insisting yesterday that it

was interested only in a national unity government that included Li-

agree to his offer.

crucial

BALANCING DESIRE TO WITHDRAW WITH NEED FOR SECURITY

Israel's dilemma in Lebanon

BY DAVID LENNON RECENTLY IN SOUTHERN LEBANON

ISRAEL is in a Catch-22 situation in Southern Lebanon, a senior Israeli officer admitted this week. It wants to withdraw but only after security arrangements have been made to ensure that Palestinian guerrillas will not again use it as a base for attacks on Northern Israel. If, as appears certain, it cannot arrange this with the central Government in Beirut, then Israel needs the co-operation of the predominantly Moslem community of the South to enable it to minimise its troop presence there. But the ing occupation and repres-

sion is alienating that community. Before Beirut's abrogation in February this year of the stillborn Israel-Lebanon treaty signed in May 1983, Israel tried to avoid punitive measures which were likely to damage the region's economy and push larger sections of the Moslem

population into open resistance. Since the treaty was cancelled and last month's closure of the quasi-diplomatic Israeli liaison office near Beirut, the 750,000 mainly Shia Moslems in the South are being subjected to collective travel restrictions making them virtual

prisoners in their own land. Because of the hostility among sections of the Moslem community to the Israeli presence, it is that community which suffers most from the roadblocks, curiews, spot checks, midnight searches and ranrael's method of trying to defeat the

Reagan

'fire up'

faithful

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan

planned to re-launch his "conserva-

tive revolution" in Dallas last night,

staking his claim to four more years in the White House.

Mr Reagan spent yesterday at-

tending prayer and campaign meet-ings and putting the finishing touches to the speech in which he

was formally to accept his party's

overwhelming mandate to run for a

second four-year term as President.

His acceptance speech was to be

the emotional climax of a four-day Republican national convention in Dallas, in which delegates from all

over the country have shown su-preme self-confidence that Mr Rea-

gan and his vice-presidential run-ning mate, Mr George Bush, will be resoundingly re-elected on Novem-

His speech was intended to set the tone for a campaign that will be run on an unabashedly conservative platform and to "fire up" the party faithful for the hard, grassroots work required of them in the two months ahead.

Mr Reagan's formal renomina-

tion came on Wednesday night when the 47 votes of the Missouri

delegation put him "over the top" in a lengthy roll-call vote of the states. The virtually unanimous outcome

had never been in doubt.

set to

creasing the hostility of the community whose co-operation Israel needs if it is to get out of Lebanon. This is the Catch-22 to which the of-

ficer referred. Israel, in the hope that it may eventually provide a way out of this self-made trap, is trying to build a local militia into an effective force able to take over most of the ground

my.
This militia is rather grandiosely referred to as the South Lebanon Army (SLA). It is based on the Israeli-backed South Lebanese Christian militia, which was commande by rebel Lebanese Major Saad Haddad until his death in January this

Antoine Lahad, a retired Lebane major-general. Its force has been expanded to 2,200 men, with an ultimate goal of 4,000. Trained and equipped by Israel, which also pays the salaries, the SLA has six battalions, including an armoured one with four batteries.

The SLA draws 65 per cent of its men from the 200,000 strong Christian community and 35 per cent from the more than three-times larger Moslem Shia, Sunni and Druze population. The aim is to make it half Christian and half Moslem but such a mix has proved very unstable within the official Lebanese Army, which splits assunder whenever asked to intervene in

BRITAIN'S trade balance probably

moved into an underlying deficit in July, the Department of Trade and Industry said yesterday.

Latest figures show a recorded surplus on the balance of payments

current account for the month of

£112m (\$147m) compared with a

£153m surplus in June. But if allowance is made for the effects of the

national dock strike which ended

on July 21, the department esti-

mates the current account would

It said it was difficult to be pre-

cise about the effects of the dock

strike. However, it believed that ex-

ports were reduced by about £250m

and imports by about £400m as a re-

Trade in oil was largely unaffect-

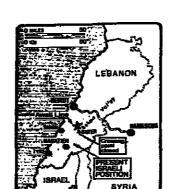
ed by the dispute, but the surplus earned on oil trade has been cut

substantially by the increased con-sumption of oil by power stations as

a result of the miners' strike.

sult of the stoppage.

have moved into a small deficit.



Israeli military support that Major Haddad's militia has been able to control the narrow strip of Lebanese territory which Israel gave it in 1978. The SLA is unlikely ever to be able to cope alone with the much bigger territory and population.

The SLA is regarded as some-thing of a joke by the Southern Lebanese and an unstable ally by many Israelis. There is considerable doubt that it could survive intact if Israel withdrew from the area.

Israel, however, has been transferring increasing areas of South-ern Lebanon to the SLA. It is hoped that eventually the bulk of the Israeli forces will be withdrawn to

The area then will be controlled by the SLA, backed up by Israeli air destroy missions by Israeli ground

UK BALANCE OF PAYMENTS CURRENT ACCOUNT (2m)

effect on Britain's current account dock strike it is likely that this

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

warnings and intelligence gathe ing stations inside Lebanon.

The senior officer said that the aim is to create an Israeli security zone in Southern Lebanon similar to that established in Eastern Lebanon by the Syrians. This would amount to permanent indirect Is-raeli rule in Southern Lebanon. With or without the SLA, Israel's

occupation of the southern third of Lebanon has often been described as similar to its occupation of the West Bank, which was captured from Jordan in the 1967 war and has been administered by an Israeli military government ever since.

Because the use of the term "military government" connotes ties of a very binding nature, Israel has chosen to call its South Lebanon or "assistance" unit.

A senior officer with the liaison unit for Southern Lebanon ex-plained that "it is not a military gov-ernment in the full meaning of the word and it doesn't function like the West Bank military government."
As examples of the difference, he

month's general election, three more than the Likud. Four smaller notes that the public health service parties with a total of 10 seats have is still activated and funded by the agreed to join a Labour coalition central Government in Beirut, Israel is not involved in supplying three more parties to command a majority in the 120-seat Knesset (parliament) without Likud. The National Religious Party, electricity or water.

The similarities lie, he says, in the Israeli control of commercial and personal traffic, by road and through the ports of Sidon and infrastructure. The budget is mainly for roads and water supply in the strip of territory beside the border

by the one-seat Tami Party. But such protestations are likely to be merely negotiating tactics designed UK's underlying trade deficit to win more concessions from I bour in return for their support. Editorial comment, Page 19 blamed on dock strike effects European

Community iobless up to 10.9%

LUXEMBOURG - About 200,600 | Woolworth became jobless in July, boosting the unemployment rate to 10.9 per cent of the workforce from 10.7 per cent in June, the Community Statistics Office said yesterday. The number of unemployed in

member states apart from Greece was 12.3m in July, up from 12.1m in June. Figures for Greece are not included because Greece does not register all its jobless at public unem ployment offices.

The underlying trend of unemployment in the EEC appeared to be stable when adjusted for season. The department points out that the underlying level of imports of oil has been slackening in recent dock strike suggest that the under-

EEC UNIEMPLOYED Percentage of workforce					
	July	June			
ireland	16.7	16.6			
Netherlands	14.6	14.6			
Belgican	14.8	13.4			
Italy	12.8	12.9			
Britain	11.7	11.5			
Denmark	8.8	9.2			
France	9.6	9.4			
West Germany	8.2	7.B			
Luxembourg	1.6	1.4			
(Greece)	1.3	1.4			

al factors, despite slight seasonally

many and Britain the statistics of-fice said. It said changes in the number registering as unemployed in July varied greatly from country to

Country.

The number of jobless in Belgium and Luxembourg grew by 11 per cent as more young people reg-istered for benefits at the end of the academic year. However, jobless numbers fell by 3.6 per cent in Denmark and 0.7 per cent in Italy.

walk out over coal shipment

Continued from Page 1

(\$180) a week, and pay backdated to the November 1 settlement date. The NCB said it believed a num-

Scargill, the NUM president,

However, the NCB said last night

THE LEX COLUMN

Cadbury's block on Wall Street

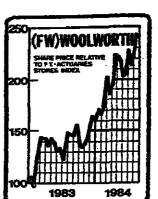
Schweppes' SEC registration papers ought to do the group no harm at all as it limbers up for a second at all as it immers up for a second run at the Wall Street share flota-tion which it postponed in May. In-terim pre-tex profits of £39.7m, up from £33.5m, signal another half year of steady if unspectacular progress, albeit flattered a little by the absence of one or two problems which eart the green dearts in 1983 which cost the group dearly in 1983. But assuming a successful launch for the new issue in prospect, most

existing shareholders will presumably have their fingers crossed that growing U.S. interest in the stock might produce a gentle levitation over time.
At 130p, unchanged on the day.

Cadbury's shares are set to offer a prospective p/e multiple some way short of those enjoyed by the group's leading U.S. rivels. Wall Street might even view Cadbury's geographical spread as a mildly en-ticing dollar hedge in the sector. At least three factors, though, could well be seen as justifying Cadbury's lower rating against the U.S. competition - and all three will be around for some time yet, however shrewd Cadbury's growth strategy. First is the sheer vulnerability of Cadbury in the U.S. Its market share there has grown again but is still only about 6 per cent in confec tionery. Schweppes' £2½m trading profits represent roughly half the U.S. total. Second is the less than dynamic image presented by the continuing struggle to assert Schweppes brand image in contin-ental Europe and the low return on some of the group's key assets within the UK. An unhappy six months at Typhoo Tea, in particular, has helped leave the tea and food divi-

sion's profits 5 per cent lower. Third, is the stretched balance sheet, which must bear another sizable cash outflow this year before taking account of the proposed is sue proceeds. But these at least could cut the debt burden usefully and the implied interest savings would surely bring pre-tax profits of £125m within range for the cur-

that it has been announced at all. The strategy is couched in terms of deep obscurity: "Six cornerstones feature in every store ... each cor-nerstone has its own mission." But there is, after all, no simple formula siz years – into the company's larger of having too many products, siz years – into the company's larger of having too many products, suit. But gratifying success in the Novo's.



too many stores and too little logic

The aim of the new management has been to start with the lesser task of introducing Woolworth to the world of normal commercial practice and move to the big issues later. Woolworth's legendary over stocking problem, in particular, has been attacked with almost excessive zeal and the group now sees its basic housekeeping task as com-

The new strategy, though, covers a product range so vast as to suggest that Woolworth risks fall-ing between the two stools of specialist chain and individual depart-

Narrowing the range must ultimately be an empirical process -one best achieved by developing management systems which can quickly determine, Marks & Spencer-style, which products are actually moving off the shelves. But it is encouraging to see the group maintaining momentum; for to stand still would be to slip back into the mo-rass from which the present management is emerging.

Blue Circle

on offer for the accuracy with which the market managed to ring Blue Circle's \$£47.6m pre-tax profit for the six months to June, for the exacerbated by the miner's strike come in the first half had slipped new commercial strategy lies not so and nearly £5m of redundancy much in the details, as in the fact costs - but, given the improved and nearly £5m of redundancy costs – but, given the improved showing from Armitage Shanks, cement's contribution to UK profits be depressing indeed to be ploughing spending. But it is ominous that one ing so much capital - £300m over of Novo's major U.S. customers for

U.S., and recovery in Chile, have helped to rebuild the profits total. Investment in higher operati efficiency remains an uphil struggle; if Blue Circle eliminate some £17m of labour costs this year, that does no more than compensate for a year's cost inflation at about 5 per cent). Volume is so cru-cial to profitability, morover, that the long awaited UK price increase is beginning to look like being de ferred for some while longer, to defend the home market against invaders. At 390p, down 8p yesterday, the share price expresses a degree of doubt over the chances of a prof-

Exco is not the greatest of eathusiasts for the London stock market, and the market's reaction to its half-year figures - 5 per cent off the share price versus a 37 per cent rise in earnings – indicates that the feel-ing just now is mutual. After two rights issues in the past

year this is not too surprising, and it says a lot about the City of London's view of Exco that five-sixths of the group's market capitalisation is represented by the value of its 52 per cent holding in Telerate - some

Given the encouraging way that Exco's other activities are apparently developing, that treatment seems a trifle churlish, rights issues not-withstanding. Money broking has regained its momentum in the more turbulent currency markets of the past few months, and Exco has taken full advantage of this trend by investing some of the rights money in a larger share of its existing New York operation. Telerate is doing all that Exco could reasonably ask of it; but its mushroom growth does present an impossibly stiff challenge to the rest of the group.

There cannot be too many prizes the accuracy with Novo Industri

The world's stock markets are not likely to be amused by a drop in make up of this total was not much profits from Novo, even if the gloss like any of the forecasts. Admitted had worn off this bio-technology ly, the market had discounted a wunderkind some time before last tough period for cement in the UK - night's announcement that net inprobably fell by a quarter. It must chalant acceleration in capital

Britain's oil surplus in the three months to July was an average of £120m a month, less than the average for the first three months of the year. This suggests that if the present miners' strike were to continue to rise at a faster underlying rate than exports. The definition trade in goods other than oil was recorded as £922m in July. After the three months to July compared with the level in February to April. At the same time, the value of non-oil exports of the effect of the same time, the value of non-oil exports of the effect of the same time underlying rose by about 2 per cent. Norway on verge of gas deal

would be about £1bn.

BY DOMINIC LAWSON IN LONDON

ceptance speech was intended to and Statoil of Norway are on the blend patriotism with an aggressive, though not "strident," attack of the £20bn (\$28.2bn) deal to buy on the Democratic leadership of his gas from Norway's Steipner gas challenger, Mr Walter Mondale. Mr Reagan was expected to reheld up by arguments between the mphasise a theme repeatedly UK and Norwegian governments, in emphasise a theme repeatedly UK and Norwegian governments, in sounded in Dallas this week - that which the British have been using

the future" - without necessarily spelling out full details of his political and economic plans

Dutch gas as a lever. Statoil appears to be the two major change spelling out full details of his politi-cal and economic plans

Mr Reagan was renominated
with the votes of 2,233 of the 2,235

Third gas as a lever.

Statoil appears to have conceded the two major changes proposed by British Gas at the request of the UK
Government. Peak Sleipner output will come down from about 38m cufrom Illinois and Pennsylvania Mr Bush won the votes of 2,231 delegates. the price of the gas – at about \$4.15 per million British thermal units – An Alabama delegate voted to nominate Mrs Jeane Kirkpatrick,

Nations, for vice-president, Republicans roll on their perfect couple', Page 3

of continuing disagreement between the UK and Norway over points to be contained in a sovereign treaty between the two countreplacements of the UK Energy Departation of the UK Energy Department Department Department Dep White House officials said his ac- THE BRITISH Gas Corporation

the Republicans are "the party of the prospect of an improved offer of

bic metres a day to about 30m; and should be unchanged, even though the slower exploitation of the field the U.S. Ambassador to the United | will make it less profitable.

Final conclusion of a revised deal looks likely to be delayed until the second half of next month because

ing to accede to the UK request that offered, however, were about three natural gas liquids associated with the Sleipner gas should be transferred by UK pipeline to Flotta in Orkney, rather than by Norwegian

The British now believe, how-

Norwegian national pride. When the original Sleipner deal was nego-

adamant on this point, the British pegotiators have pointed out that, if

-1,042 - 329 -1,003 -1,197 - 791 - 753 - 922

would have been close to another

tries.

ment, investigated the possibility of
In particular, Norway is unwilla deal with the Dutch. The volumes times smaller than Sleipner and the

pipeline to Teesside.

At issue is not only the £200m in extra tax revenues to the UK Treasury but a considerable amount of routily, at a landed price very Norwegian national pride. When the original Sleipner deal was neep-the original Sleipner deal was neep-this end. Gasunie has been engaged this end. Gasunie has been engaged. the original Sleipner deal was nego-tiated the Norwegians envisaged in detailed negotiations with the that the natural gas liquids would travel by Norwegian pipeline. With the original Sleipner deal was nego-tiated the Norwegians envisaged in detailed negotiations with the UK over the cost and funding of a gas pipeline from the Netherlands to Britain.

they do not get their way, they tute a disadvantage to the British could sign a very competitive al-

Madrid may negotiate with Basque group

Continued from Page 1

member describing the proposal as realistic."

pursue political claims including an amnesty, the inclusion of the province of Navarre in the autonomous the PNV, the Socialists and Herri Basque region and a change in the Batasuna. These talks failed to get

The Basque autonomous govern- renewed campaign of Eta killings. I grounds:

Reaction in Herri Batasuna, the ment, run by the conservative party closely associated with Eta-Basque Nationalist Party (PNV), de-Militar, was hostile, with one senior scribed the talks offer as "not very

By excluding political consider-ations, the offer differs radically

British dockers

ber of Nottinghamshire branches had expressed interest in the offer.

Pressure mounted on the NCB last night to agree to new talks, when a group of largely left-wing union leaders signed a statement deploring Mr MacGregor's comments during his televised debate on Wednesday with Mr Arthur

that renewed talks depended on some sign from the NUM leaderconstitution recognising Basque off the ground last year, partly berights to self-determination.

off the ground last year, partly because of Socialist reticence. The
proposal was finally scuttled by a

Albion Films Limited £25,000,000 **Facility**

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Samuel Montagu Leasing Services Limited

St. Michael Finance Limited Robert Fleming Leasing Limited investors in Industry plc

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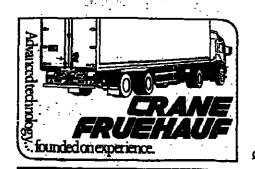
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World Weather C-Cloudy D-Orizzle F-Foir Fg-Fog H-Hail B-Rata



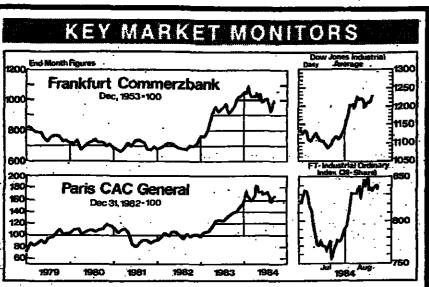
SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday August 24 1984



Brochure available from: ning pie, Canning House, St. Paul's Squere, ngham B3 10R. Telephone 021-238 8224.



		-	
STOCK	MARKET	MDICES	<u>. </u>
NEW YORK	Aug. 23	Previous	Yes ago
DJ Industrials	1,232.44	1,231.78	1,192.89
DJ Transport	522.87	524.27	530.83
DJ Utilities	129.82	130.80	131.17
S&P Composite	167.12	167.06	162,77
LONDON		•	
FT Ind Ord	835.2	841.6	717.A
FT-SE 100	1,081.1	1.090.2	989.1
FT-A All-share	510.12	513.91	
FT-A 500	553.06	557.49	493,23
FT Gold mines	578.4	570.2	672.6
FT-A Long gilt	10.54	10.51	10.77
TOKYO			
Nikkei-Dow		10,538.32	9,169.18 -
Tokyo SE	815.03	815.39	680.39
AUSTRALIA			
All Ord	747.8	751.8	694.4
Metals & Mins.	478.0	483.7 ⁻	595.8
AUSTRIA			
Credit Aktien	53.29	53.25	55,32
BELOWIN			
Belgian SE	155.5	154.73	134.16
CANADA	Aug 23	Prev.	Yrago
Toronto		3 -85 E	
Metais & Minis	2,022.5° 2,362.3°	2,020.5 2,358.8	2.450.7
Composite Montreal	2,302.0	2,300.0	2,450,7
Portfolio .	116.91	116.3	118,81 .
DENMARK		;-	
Copenhagen SE	192.65	192.1	181.43
FRANCE			
. CAC Gen	166.7	165.7	137.3
Ind. Tendance	107.7	107.6	86.4
WEST GERMANY			
FAZ-Aktien	337.97	341.39	315.92
Commerzbank	982.6	993.8	937.2
<u></u>			
HONG KONG	891.12	907.99	993.14
Hang Seng	091.12	2U(.25	553,14
TTALY .			
Banca Comm.	220.4	219.79	206.21
NETHERLANDS			

940.8

139.69

1.525.58 1.534.68 1.475.16

382.4

184.9

\$351.25

\$351.75

\$351.35

\$351.90

\$349.80

139.4

361.5

184.7

GOLD (per ounce)

929.1

117.72

338.0

179.3

Prev \$345.00

\$345.00

\$344.75

\$345.62

\$346.00

\$354.30

ANP-CBS Gen

ANP-CBS Ind

Oslo SE

HIGAPORE

SOUTH AFRICA

Industrials

Madrid SE

SWITZERLAND

Capital Int's

WORLD

London

Frankfurt

Paris (fixing)

Luxembourg (fixing)

Vew York (Aug.)

Swiss Bank Ind

	U.S.	DOLLAR	. STE	PL MG
(London)	Aug 23	Previous	Aug 23	Previous
\$		-	1.313	1.31
DM	2.8645	2.88	3.7525	3.77
Yen	240.65	241.3	316.0	316.0
PPr.	8.7940	8.84	11.555	11.6075
SwFr	2.3845	2.399	3.1325	3.145
Gullder	3.231	3.2495	4.245	4.265
Lire	1774.0	1780.0	2331.0	2336,5
BFr	57.875	58.195	76.0	76.35
CS	1.29925	1.30025	1.706	1.7005

Euro-currencies	Aug 23	Prev
(3-month offered rate)	_	
2	1015/16	1017/16
ŞwFr	51/16	419/16
₽	5%	5%
FFr-	11%	11%s
FT London Interbank fixing		
(offered rate)		
3-month U.S.\$	1119/16	12
6-month U.S.\$	12%	12%
U.S. Fed Funds	11%*	11%
U.S.3-month CDs	11.45°	11.50
U.S.3-month T-bills	10.43	10.47
<u> </u>		
LLS BONDS	1	

				_			
;			U.S BC	HDS		_	
	Treasury		August	23	Prev		
Ħ.			Price	Yield	Price	Yiek	
}	12%	1986	99**/12	12.43	9929/32	12.43	
_	13%	1991	104 2%,				
3		1894	992%±				
- 1	12%	2014	1001%2	. 12.42	100°%e	12.42	
3	Corp	orate	Aug. 2	23*	Pre	v	
.	AT &	T	Price	Yleid	Price	Yield	
- 1	10%	June 1990	90	12.85	90	12.85	
2			71.00				
~	8%	May 2000	· 72	12.95	72	12.95	
_	Xero		-				
	10%	March 199	3 · 88	13.00	88	13.00	
4	Diam	ond Shem	rock		٠.		
-	10%	May 1993	87%	13.15	87%	- 13:15	
,			Stores				
1	10%	May 2013	90.342	13.30	90.342	13.30	
		t Lab			•		
}			89.00	13.30	89.00	13.30	
<u> </u>	Alcoz				00100		
_			89.00	12.20	90.00	19 00	
12-	l <u></u>	000 20 IZ	G3.00	10.00	00.00	13.00	
_		FIN	ANÇIAL	FUTU	RES		
,	CHIM	CAGO	Latest	High	Low	· Pre	

	8% 32nds of 10	00%	-		
	Sept	66-01	66-07	65-30	66-06
4	U.S. Treasury	y Bille (Bi	CAL)		
1	\$1m points of	100%	-		
1	Sept	89.75	89.80	89.75	89.76
1	Certificates	of Deposi	t (IMN)		
1	\$1m points of	100%	_		
	Sept	88.55	88.58	88.51	88.55
	LONDON				
1	Three-month	Eurodoll	2		
	\$1m points of	100%			•
		88.44	00.44	~~ ~~	00.40

£50,000 32nds of 100	
Sept 105-	28 105-29 105-08 105-20
COMI	MODITIES
(London)	August 23 Prev
Silver (spot fixing)	584.4p 571.65p
Copper (cash)	£1,035,00 £1,016.50
0-4	00 007 50 00 070 00

\$27.75

Oil (spot Arabian light)

\$27,70

WALL STREET

A steadier tone again established

A MOOD of consolidation emerged on Wall Street yesterday with the stock market steadying after the previous day's late decline and the credit markets keeping their early losses to a mini-mum, writes Michael Morgan in New

At the close, the Dow Jones industrial average was up 0.66 at 1,232.44 on volume of 83m shares, down from the previous of 112. ous day's 117m.

The market had opened marginally easier, but the decline was overcome by lunchtime. During the early part of the afternoon, the Dow was almost 6 points ahead, but the measure sank back as the afternoon progressed.

Across the broader range, a similar picture was seen with the American Stock Exchange index, easier at first, picking up to close 1.33 firmer at 212.20. In the credit market, an easing in the

Federal Funds rate to 11% per cent failed at first to inspire investors. However, the Bellwether long bond, the 12% per cent of 2014, after opening easier, later traded three basis points higher at 1001 2 as the funds returned to their overnight level of 11%s. Other coupon issues were narrowly mixed where changed.

The late decline in the credit markets the previous day had largely stemmed from investor caution ahead of the result of the Treasury's auction of twoyear notes. In the event, the notes were sold at an average yield of 12.43 per cent, lower than at the previous auction and better than some analysts had expected.

Money supply figures for the latest reporting week, due late in the day, were widely expected to show little if any growth in the basic measure of M1, and the prospects for the figures provided negligible impact on the market. The Treasury's announcement of the July budget deficit of \$16.42bn was also in line with market expectations.

The hesitancy displayed by the stock market was viewed as no more than a normal corrective phase to the latest run-up which has been reflected in an advance of almost 140 points by the Dow during the past month. The institutions were, however, still

active with large block trades, each of 100,000 shares or more, seen in Honey-well at \$64%, Southern California Edison at \$21% and Sears Roebuck at \$35%. Among the most actively traded stocks, NCR added an early \$1/4 to \$27,

but Columbia Gas shed \$% to \$28% while Westinghouse eased \$% to \$26% after a block of more than 243,000 shares had been crossed by Salomon Bros at \$28%. Of the computer companies, Tandy shed \$1 to \$27%, while IBM put on \$% to

\$124% and Hewlett-Packard at \$40% was General Electric was active, trading unchanged at \$57% while Cigna, the insurance group, moved down a further \$1

to \$36 in continued response to an analyst's unfavourable comments. In the motor sector, General Motors was unchanged at \$76 while Ford was \$% higher at \$45% following its latest sales figures. Firestone, the world' second largest tyre maker, added \$% to \$18% in the wake of its nine-month re-

Stock in City Investing was suspended ahead of the board's announcement of the \$1.25bn sale of three units to an investor group led by Kohlberg Kravis Roberts and Merrill Lynch Capital Mar-

Kroger, the second largest food super-

market chain, dipped \$% to \$35% after a ~

block of 378,200 shares was sold at \$35%. Whittaker Corp. the metals and chemicals group, was suspended ahead of the board's announcement authorising repurchase of up to 3m shares of the company's common stock. It later re-turned to trade up \$% at \$18%.

In the credit market, three-month Treasury bills at a discount of 10.43 were two basis points firmer while the sixmonth rate was unchanged at a discount of 10.53 per cent. Money market rates were largely unchanged to slightly higher.

TOKYO

Slim margin for gains amid selling

INCENTIVE-BACKED issues were traded briskly in Tokyo yesterday, al-though prices moved within a narrow range, writes Shigeo Nishiwaki of Jiji

The Nikkei-Dow average closed only 7.23 higher at 10,545.55, on volume up from 294.53m shares to 300.48m. Gara outpaced losses by a slim margin of 353 to 340, with 166 issues unchanged.

Investors and brokerage houses were disappointed that buying interest in in-ternationally popular blue chips had turned out to be short-lived on Wednes-

Triggered by Wall Street's overnight fall, blue chips came under small-lot selling pressure. Foreign investors showed no signs of active interest in leading blue chips, although their buy orders placed with four leading securities companies increased slightly to 20m shares against sell orders for 18.5m.

Fuji Photo Film shed Y20 to Y1,770, Hitachi Y9 to Y849 and Sony Y80 to Y3,380. But Kyocera gained Y110 to Y8,280 on speculative buying.

Conversely, incentive-backed issues related to biotechnology and semicon-

ductors were a speculator's target, moving erratically throughout the day. Morinaga soared Y91 at one point but retreated under profit-taking pressure to finish up Y61 at Y610. Morinaga was the most active stock with 19.84m shares changing hands.

Nissin Electric, also active, jumped Y35 to Y454, bolstered by the reported development of a new videotape record-

er manufacturing system.

Kyodo Printing scored a daily limit gain of Y80 at one point but fell back to close Y67 higher at Y397. Furukawa added Y30 to Y428, and Asahi Glass Y16 to Y771. Mitsubishi Electric ranked second on

the list of 10 most active stocks, with 9.50m shares traded, but lost Y1 to Y406. On the bond market, investors stayed on the sidelines, despite the yen's firmness against the dollar. The yield on the benchmark 7.5 per cent long-term government bond, maturing in January 1993, edged down from 7.24 per cent to 7.23 per cent.

AUSTRALIA

A ROUND of profit-taking from Wednesday's sharp post-budget rise in Sydney sent prices lower in active trading. Top mining companies were hardest

hit - CRA shed 10 cents to A\$5.56 and CSR and MIM 8 cents to A\$3.38 and A\$3.05 respectively. Santos jumped 10 cents to A\$6.66 after

reporting a "significant" oil strike in the Cooper Basin. Vamgas, a 10 per cent partner in the well, gained 25 cents to A\$2.30. Other energy issues were buoyed by the news.

Fears affect chemicals in Frankfurt

A SELL-OFF developed among West German chemical shares yesterday as a dispute grew over possible cancer risks associated with the preservative and dis-infectant formaldehyde, a ban on which could severely hit its manufacturers and have a wide and costly impact on many

industrial sectors.

Amid all this, BASF, the world's biggest producer of the substance, reported more than doubled pre-tax profits for the first half. Its Frankfurt close, though, was DM 4,50 lower at DM 151 after touching DM 149.50.

Shares of the country's big three chemicals concerns have shown no positive response to the results season this week despite substantial profit improvements all round. Yesterday Hoechst slipped DM 3.20 to DM 186, and Bayer DM 3.40 to DM 165.20 although neither

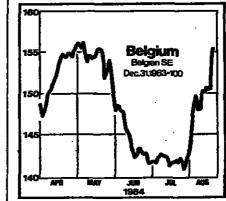
is a significant maker of formaldehyde. The duliness was also in part attributed to uninspiring dividend prospects for

The Commerzbank index, at its midession daily calculation, was 11.2 down at 982.6 - a sharper setback than experienced in any other continental European centre.

Late bargain-hunting by foreign institutions left many issues above the day's lows, but even Veba, the energy group which reported a profits boost and hinted at a higher dividend, lost DM 1.80 to DM 170.20.

A slightly firmer domestic bond market allowed the Bundesbank to sell DM. 60.3m in paper.

Nedlloyd was the star of the Amsterdam session after the shipping group announced a return to the black: at Fl



125 it was Fl 11.20 or nearly 10 per cent stronger and helped brighten the previ-

ously dull tone. Bonds were lethargic ahead of terms due on Tuesday for the new 81/2 per cent

End-account adjustments took Paris slightly higher, with Cie Générale des Eaux gaining FFr 17 to FFr 537, Club Med FFr 26 to FFr 976 and Matra FFr 43 to FFr 1,550 to put them among the day's best. On the decline was Buoygues, off FFr 19 to FFr 560.

Also of assistance was a call money rate at a 3½-year low of 10½.

Brussels continued its advance as trading livened up further, helped by interest rate optimism. Utilities, the most rate-sensitive, showed prominent gains of BFr 110 for Electrobel to BFr 7,640 and BFr 90 in Tractionel to BFr 4,000.

Profit-taking intervened in the recent Stockholm revival. Poor results from Boliden pulled it SKr 9 lower to SKr 383 while Ericsson dipped SKr 6 to SKr 378 ahead of its figures.

Chocolate maker Lindt again featured otherwise cautious Zurich dealings, de-

fying a weaker trend to finish SwFr 200 up at SwFr 11,300. Ciba-Geigy, SwFr 30 better at SwFr 2,450, was the only chemical major to improve. Bonds steadied

> Late Milan selling eroded earlier gains, although insurers remained strong, Toro adding L101 to L9,299. Oliv-etti lost L93 to L5,958. Bonds were nar-

rowly mixed. In Copenhagen, Novo at DKr 2,525 showed no movement ahead of its earnings statement. Oslo had Norsk Hydro NKr 10.50 higher at NKr 623.50 up NKr

28.50 over two days.

Property issues held out against a lower Madrid trend.

LONDON

Dockers fail to cause undue alarm

THE PROSPECT of Britain's second national dock strike within a month unsettled London markets yesterday but

failed to worry investors unduly. Trading was again seasonally quiet with less favourable U.S. market trends also making for a more cautious invest-

ment approach. Gilts recovered from their lowest as sterling hardened against the dollar and longer-dated issues settled 1/2 point down

on the day with more marginal movements for shorts. Takeover speculation thrived in the absence of genuine investment susiness. Tate & Lyle, making a contested bid for Brooke Bond, rose 11p to 383p on rumours that Dalgety was about to

launch an offer. The FT Industrial Ordinary index closed 6.4 lower at 835.2.

Chief price changes, Page 22; Details, Page 23; Share information service, Pages 24–25

HONG KONG

NEWS that Green Island Cement planned a one-for-three rights issue aimed at reducing mounting debt helped push prices lower in moderate Hong

Kong trading.
Green Island was last quoted at
HK\$6.85 against Wednesday's HK\$6.80 close, while its holding company Cheung Kong fell 25 cents to HK\$7.20.

Cheung Kong's associate, Hutchison Whampoa, was 30 cents off at HK\$10.20.

SINGAPORE

PERSISTENT profit-taking sent Singapore prices lower on a broad front in

tives, gained 10 cents to S\$2.80, while Haw Par International fell 12 cents to S\$2.15 and UOL shed 4 cents to S\$2.70 on lower half-year results. Among financials, OCBC lost 15 cents

to S\$9.80, DBS 10 cents to S\$7.85 and Industrial/Commercial Bank 15 cents to

SOUTH AFRICA

GOLDS ended quietly firmer in Johannesburg as the bullion price steadied. De Beers fell a further 15 cents to R8.65, bringing its loss since Tuesday's disappointing interim results announce-

Industrials closed mostly unchanged with a firmer bias.

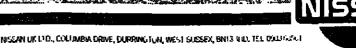
A MIXED tone emerged in Toronto, with golds continuing weak and base metal mining and energy issues firmer. Montreal was similarly hesitant, with utilities and banks stronger and industrials generally off.

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subs

urge into

VI:

Paul Taylor in New York looks at the latest Japanese-U.S. venture

NKK puts fire into National Steel

MINORU KANAO, president of Nippon Kokan (NKK), beamed around, will retain those positions in the new independent asked what rate of return Japan's number two steelmaker is looking for from its \$292m invistment in a 50 per cent stake in National Steel, the sixth largest U.S. steel group.

"The more the better," he replied in Japanese. The Japanese steel chief was in Pittsburgh, cradle of the U.S. steel industry, to conclude NKK's agreement to purchase the half share in National Intergroup's (NII) much slimmed down and now profitable steel division. The move will instantly rocket NKK into the "blg rocket NKK into the "b league" of U.S. steelmakers.

The deal is unusual in a number of ways and has major repercussions not only for the U.S. steel industry and National Steel but also for the new joint

Under the definitive agree-ment National Steel will become an independent joint venture on September 1 when NKK hands over a cheque for \$273m in cash and \$19m in notes for its 50 per cent stake in a company with three midwestern steel plants, coal mining operations in three states and iron ore operations in Minnesota.

Under the deal National Steel will be led by a board of six directors—three from NII and three from NKK, with NII's Mr Howard Love as chairman and Mr Haruki Kamiya, an executive vice president at NKK, as vice chairman. Mr Robert McBride, the National Steel restrictions on steel imports.

Mr Kanao expressed the hope officer who is largely credited that President Reagan will veto

biggest tyremaker, boosted net profits from continuing opera-

tions to \$29m or 65 cents a share

in the third quarter, from \$27m or 55 cents last time, on sales

At the nine-month stage, how-ever, net profits from continu-

ing operations fell sharply, from \$65m or \$1.31 a share to \$51m or \$1.08. Sales rose from \$2.63bn to \$2.96bn.

The lotest quarterly figure includes a \$11m gain from the

sale of a Brazilian rubber plan-tation, against an \$8m gain last time from partial liquidation of

Life inventories. \$7m and Final net for the quarter was of \$3m.

up from \$941m to \$1.03bn.

company.

NH had earlier this year agreed to quit the steel husiness altogether by selling it to U.S. Steel for \$575m. However, it pulled out of the deal citing concern about "unrealistic" U.S. Justice Department rulings on industry restructuring.

The attractions of the latest

arrangement are obvious. Its remaining 50 per cent owner-ship in one of the three lowest cost major domestic steel mills provides a continuing profit potential which some analysts, like Mr Peter Marcus of Pain Webbser, suggest could be as high as \$280m a year in a temnigh as \$200m a year in a tem-porary steel shortage. By teaming up with NKK, NII will also have access to some of the most advanced

steelmaking technology in the world. Indeed, it is this aspect of the arrangement that both sides are currently emphasising. NKK is clearly hoping that its investment in National Steel will provide it with an unassail able entry into the U.S. steel market and in particular, enable it to help improve National Steel's product quality and margins while expanding the group's customer base to

Japanese customers, including Japanese motor manufacturers with plants in the U.S. But perhaps most crucially NKK sees the move as a defensive measure to protect it from the possibility of new U.S. trade restrictions on steel imports.

taking in a gain of \$17m from

discontinued operations and an extraordinary credit of \$2m. In

the year ago quarter gains of \$3m from discontinued opera-

tions and an extraordinary credit of \$1m made a final net of \$31m or 65 cents a share.

For the latest mine months

tions of \$26m and an extra-

sales advance at Firestone

Third-quarter profits and | Lilco warns of possible

ordinary credit of \$8m made a final net of ;85m or \$1.80 a share. This compares with a final net last time of \$75m or \$1.53, arrived at after income from discontinued operations of the state of the st



Mr Minoru Kanao: nore the better"

the new steel import quotas which many of National Steel's U.S. rivals are pressing for and which have been approved by the International Trade Com-

Specifically when NII's new board meets for the first time next month or in early October it is expected to agree to acceleraet a five-year capital spending plan already in place which calls for new investment totalling up to \$800m. Central to this investment plan, and to what Mr McBride acknowledges

York state utility, yesterday warned that it may have to

consider filing for bankruptcy protection unless the New York

Public Service Commission approves a new financing agree-

letter for an additional \$150m

Under the new financing.

ment before September 1.

\$7m and an extraordinary credit natural gas stocks. and long-delayed \$4.1bn of \$3m.

However, as a condition of ham nuclear power plant,

its "seven to 10 per cent" market share of coated steel products supplied to the U.S. motor industry, is a new electrolytic galvanising line at its Great Lakes steel division near Detroit.

The new partnership has already resulted in NKK replac-ing an unnamed "West German" company as the key supplier of advanced technology for that

The more immediate impact of the deal for NII is that it will have an additional \$300m in the bank with which to step up its already extensive diversification programme, which has led it into metals distribution, and financial aluminium

Mr Love said after the sign ing earlier this week that NII hopes to make an announcement o npossible acquisitions "by the end of this year."

But he added, "Naturally if any trade restrictive schemes are established here in the U.S., NKK will suffer, but National Steel may be in a better position."

The NKK/NII link could represent the shape of the future U.S. steel industry. Aside from National Steel, several other Japanese steelmakers have teamed up with U.S. companies an more limited injuries. panies on more limited joint projects.

What the U.S. industry is waiting to see is how Nippon Steel, the world's largest steel-maker and NKK's fiercest rival,

The financing is also conditional on the commission's approval, and Lilco warned that

if this was not received by September 1, "the company will have to review alternative

courses of action, including the possibility of seeking protection

Federal bankruptcy

LONG ISLAND Lighting Company (Lilco), the troubled New York state utility, yesterday dividends payable on or after

under laws."

Bowater proposes \$341m expansion

BOWATER INC., which was demerged from its UK parent last month, is to spend \$341m on expanding its Catawba, South Carolina, mill. The expansion will produce an additional 197,000 tons a year of lightweight coated publications paper, more than doubling proluction to 321,000 tons.

Bowater, the largest U.S. producer of newsprint and a major producer of coated paper and market pulp, plans to start up the new installation in the fourth quarter in 1988.

Mr Anthony P. Gammie, president and chief executive, said customers have already entered into contracts to buy substantially all the output of the new machine as it comes into production

Bowater plans to finance the expansion from internally generated cash and from bor-rowing. Various debt options rowing. Various debt options were being explored, but suffi-cient irrevocable lines of credit were already in place for the project to get underway without delay.

The mill expansion will take

precedence over certain discre-tionary projects included in the company's previously announced \$450m three-year capital pro-gramme, said Mr Gammie.

Substantially increased demand for all its major products boosted second-quarter earnings from \$10.2m to \$16.6m, taking half-year profits from \$15.8m to \$24.7m.

William Hall adds: The new lightweight coated paper machine, which will produce glossy or coated paper for magazines, mail order catalogues, etc., is a major diversification move for Bowater which bankruptcy protection filing until now has been heavily dependant on the fortunes of the U.S. newsprint market, where it is the biggest producer. Mr R. D. McDonough, chief financial officer, said yesterday that the company wanted to get a better balance in its earnings and wanted to put its money where it could earn the highest

return. The U.S. lightweight coated paper market is currently experiencing boom conditions and Bowater is the first company in three years to put down

The company has been plagued by financial problems due to the heavy costs associated with the controversial and long-delayed \$4.1bn Shoreham nuclear power plant new capacity.

Bowater's last major invest ment in the U.S. was a \$100m paper machine at its Calhoun mili in 1979. Until the recent demerger, Bowater had claimed that it was unlikely to make another major investment in the U.S. because of the ineffi-ciences of its corporate

Revised buyout plan approved by Blue Bell

By Our New York Staff

BLUE BELL, a clothing manufacturer based in Greensboro, North Carolina, which makes Wrangler jeans, has approved a revised leveraged buyout pro-posal and entered into a definitive merger agreement with a new corporation organised by Kelso, the management buyout

Kelso, the management buyout specialist.

Under the agreement each oustanding Blue Bell share, other than shares held by the new corporation, will be converted into the right to receive \$47.65 in cash. Blue Bell has about 9.9m shares outstanding. The new corporation will be owned by members of Blue Bell's management, employees Bell's management, employees and investors, through Kelso. The revird proposal reflects an increased price over an earlier agreement in principle

to effect the merger at \$47.50 a share. Blue Bell also said it had entered into a "memorandum of understanding providing for the settlement of two lawsuits challenging the merger."

Lowe's shows improvement

By Our New York Staff

LOWE'S COMPANIES, building materials and building materials and hard-ware stores group, yesterday reported second quarter net profits up from \$18.3m or 50 cents a share to \$20.5m or 57 cents. This took the six month result from \$36.9m or 75 cents a share to \$33.3m or 92 cents. Revenues for the quarter advanced from \$418.1m to \$484.9m and for the half from \$717.6m to \$865.2m.

HILL SAMUEL FINANCE B.Y. **Hoating Rate Notes due 1996** In accordance with the pro-visions of the Notes, I-OTICE

IS HEREBY GIVEN that for the Interest Period from 24th August, 1984 to 25th February, 1985 the Notes will carry a Rate of interest of 127, % per annum and that the interest payable on the relevant Interest Payment Date, 25th February, 1985, against Coupon No. 2 will be US\$639.15.

Agent Bank Morgan Guaranty Trust Company of New York London

Mexican bank law will favour credit markets

system and the new companies.

BY DAVID GARDNER IN MEXICO CITY

pected to be published next month, will favour the development of a parallel credit market, based around the financial services companies handed back to the private sector as part of the sell-off of asnalised when the private banks which owned them were expropriated in September 1982.

Former bank shareholders have taken up 90 per cent of the stock in the 339 companies where bank eq-uity was being divested. All the financial companies, including brokerages and insurance and leasing companies, have been bought back in exchange for bonds issued to the former bank shareholders as compensation for expropriation. Attention now centres on the demarca-

tion lines that the legislation will

into the banks and the formula for the financial companies may also remain a polite and politic fiction. The Government, most recently

MEXICO'S new banking law, ex- draw between the state banking sector regaining a footbold in the financial system is political anatheme to the nationalist left within the ruling Institutional Revolutionary The likely scenario is that the nationalised banks will be able to hold Party (PRI) and the large PRI-conup to 15 per cent individually and trolled unions. Recent leaks to the no more than 49 per cent collective-Mexican press that the banks will ly in the financial services compabe able to hold stakes in the new

companies may be designed to coin-This keeps formally to the mixed cide with the ruling party's 12th aneconomy concept whereby private interests can hold up to 34 per cent tional congress which began yester in the nationalised banks. In fact, few private investors have bought companies where there is commo

The legislation is also likely to insist on the formation of holding cial companies. Though most of the former bank shareholders are althrough Sr Jesus Silva Herzog, the ready setting up holding compa-Finance Minister, has been at pains nies, this would nevertheless and to stress that no parallel banking system will be allowed under the legislation. The idea of the private solid parallel market.

Woolworth UK to restructure under new retailing strategy

BY DAVID CHURCHILL IN LONDON

stores group, has announced a major restructuring of its retail operaions and unveiled its new commercial strategy aimed at revitalising the chain store group in the next

The moves are seen as the most significant changes made by the company since it was acquired in late 1982 from its U.S. parent by a City of London financial consor-

Under the restructuring, Woolworth will have four autonomous retail divisions. About 800 Wool-worth stores less than 20,000 square feet in size will comprise the main chain, while about 80 larger stores will form a new superstores divi-

The B&Q do-it-yourself chain and the recently-acquired Comet electri- been devloped in the past year by a

WOOLWORTH Holdings, the UK cal goods discount stores will both special "task force" and is built continue to operate independently. around six areas of trade do-it-your-Mr Geoff Mulcahy, group finance self, apparel, leisure and play, gendirector, will become managing dieral convenience, daily provisions rector of the group as well as taking and housewares. There will be 12 core depart over as chairman and chief execu-

ments in these six areas, which at tive of the main stores operation. Mr Richard Harker and Mr Colin present account for about 57 per Brown will become joint managing cent of selling space but which the directors of the main chain. Mr new management team wants to directors of the main chain. Mr Rodney Lund will become manag-ing director of the superstores divi-tal sales area by 1986. While the core departm

Mr John Beckett, group chair- intended to act as the main reason man, said last night that "now that why consumers will want to shop at the fundamental housekeeping Woolworth they will be aided by tasks in F. W. Woolworth have been further 12 support department Woolworth . they will be aided by a These will be profitable but small implemented and a new commercial policy has been defined, the markets in which Wookworth is established, such as haberdashery group board believes clear, distinct agement lines are desirable." The new retailing strategy has

Men & Matters, Page 16; Lex, Page 12

British groups set up biotechnology venture

BY DAVID FISHLOCK, SCIENCE EDITOR, IN LONDON ICI, the British chemicals concern, from its biotechnology support pro-and Ranks Hovis McDougall gramme.

(\$5,2m to \$6.5m) over the next two (\$5.2m to \$6.5m) over the next two years in the large-scale manufacture and test-marketing of the food.

Or Jack Edelman, the RHM di-The food, called myco-protein, is analogous to flour in that it is seen as as raw material for a great varie-

Myco-protein is a microscopically small fungus, from the same family of plants as mushrooms, truffles, and the source of flavour in some kinds of blue cheeses. It is made from starch, a byproduct of some RHM low-calorie foods.

The joint venture is called New Era Foods and about a third of the

and Ranks Hovis McLougan (RHM), the UK bakery group, have agreed a joint biotechnology venagreed a joint biotechnology venagre They are to spend £4m to £5m it up to a rate of about 20 tonnes a testing on myco-protein, and scale

rector responsible for myco-pr estimated that about 50 tonnes of it had been eaten since the Government approved it
A variety of foods based on myco-

protein are being sold in RHM's own canteens. Between 5,000 and 6,000 people are eating it regularly, Dr Edelan estimates.

But very much large quantities are needed to fully test-market a new food. The ICI facility, originally used to develop Pruteen, an animal feedstuff made by biotechnology from methanol, is though capable of development cash is to be provided from methanol, is though capable of by the UK Department of Industry making up to 1,000 tonnes a year.

issue heavily oversubscribed

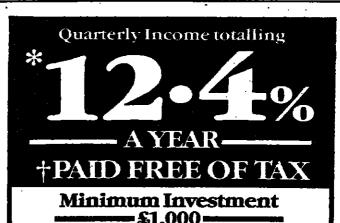
Unity Trust

By David Lascelles to London UNITY TRUST, the financial institution launched by UK trade unions earlier this year, finds itself in the satisfying but awkward position of having its first share issue oversub scribed.

Some 35 unions have applied for well over the £2m (\$2.62m) authorised founder shares. The key question at the inctitution's first annual meeting next week will be how to

Unity Trust has three classes of shares: A shares for founder trade unions, B shares for the Co-op Bank which is backing the venture and has agreed to match A shares pound for pound, and C non-voting shares for other investors. Each class is limited to £2m.

The institution - which has a deposit-taking licence and hopes to become a fully-fledged bank opened its doors on May I



-£1,000-

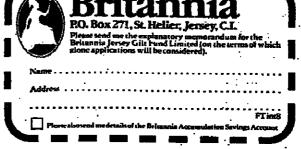
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BASF doubles first half profits as margins widen

ng marija

BASF, the West German chemicals group, raised group pre-tax was achieved mainly through bigger volume deliveries, not DM 380m.

DM 1.25ba (\$434m) in the first higher prices.

Setbacks to profits came only for the same period of 1983, and boosted worldwide sales revenue by 18.5 per cent, from DM 12 noby to DM 21 5ba DM 1.25ba (\$434m) in the first half of this year, from DM 609m for the same period of 1983, and boosted worldwide sales revenue by 18.5 per cent, from DM 18.09bu to DM 21.5bn.

BASF is the last of the "big three" German chemical companies this week to announce further striking profits growth in the wake of improved margins, after the already Hosehst group first half earn-ings rose by \$3.7 per cent to DM 1.5bn and those of Bayer

were up by 72.9 per cent to DM 1.48hn, Like its key domestic rivals, BASF notes that foreign sales Capital spending by the were stronger than those at parent company was increased

difficult.
The BASF AG parent company, raised its pre-tax profit by 58.1 per cent to DM 566m on sales revenue up by 23.3 per cent to DM 9.9bn. Domestic sales rose by 15.9 per cent to DM 3.9bn and exports by 28.6 per cent to DM 5.99bn.

and printing industries

By-product sector, agricul
Tural protection materials.

plastics and fibres all did well

but fertiliser business remained

at DM 165.20 and Hoechst down

DM 3.20 at DM 166.

One reason is that dividend increases for this year are expected to be only modest, expected to be only modest, even with record profits, after

the big boost in payouts made for 1983. Another reason is uncertainty about the chemical industry's prospects in 1985, and public arguments about environmental protection—most recently over the chemical formaldehyde, of which BASF is the world's

Veba considers raising dividend

VEBA, the West German energy and industrial concern, may raise its dividend for 1984 after increasing net profit in the first half to DM 221m (\$77m) from DM 149m in the same period of

Herr Rudolf von Bennigsen-Foerder, the chief executive, said the company might lift its payout from the DM 7.50 a share of 1983 provided there were no unpleasant surprises in the current half.

He told shareholders that Veba, the country's biggest industrial enterprise in turnover terms, had virtually achieved its aim of restructuring to remove weaknesses and strengthen

His statement follows word in mid-year that the group's oil and gas division, Veba Oel, expects to return to operating profitability this year and pay a dividend to the parent for the first time in four years.



The group's external sales revenue rose in the first haif by 5.3 per cent to DM 24.9bn, with turnover from trade and ser-

DM 9.5bn and from product sales by 7.4 per cent to DM 15.4bn.

Chemical sales showed the by 11.4 per cent to DM 2.7bn
thus sharing in the continuing
boom throughout the whole German chemicals sector.

Capacity utilisation in the chemicals division was up to 82 per cent against 74 per cent last

Revenue from electricity sales advanced by 8.1 per cent to DM 5.2bn and a growing share of atomic power in production helped keep costs down.

Group fixed asset investment in the first half was down by DM 177m compared with January-to-June 1983 to DM 848m. Last year capital spending was unusually inflated turnover from trade and ser- and energy and raw materials vices up by 2.1 per cent to savings measures.

Strike pushes Opel into the red

U.S., went into the red in the first half of this year after making a net profit of DM299m (\$104m) for the whole of 1983. The company did not specify the loss, but noted that GM had put the first-half loss on all its European activities—mainly Opel—at \$92m (about DM260m).

Herr Ferdinand Beickler, the end of the year.

Opel's chief executive, said key The first half result is dou
reasons for the setback had disappointing for Opel wh
been the strike in the metalworking industry and the public debate about exhaust emission systems, which had unsettled

than in the same period of 1983. However, he added that Opel expected to big success with its new Kadett model which was due to come on to the market next month. A total of 120,000 Kadetts of this model would roll off the production lines by

The first half result is doubly disappointing for Opel which turned a loss of almost DM 600m in 1981 into a profit of DM 92m in 1982—and then more tha ntripled earnings last

Opel, the West German sub- worth DM 2bn. Total produc- cars and took an 18.5 per cent sidiary of General Motors of the tion in the first seven months share of car registrations in U.S., went into the red in the was 451,000—or 105,000 fewer Germany—up from 18.2 per cent a year earlier. A total of 543,000 cars were exported, about 54 per cent of sales. General Motor's overall

European market share rose to 11.1 per cent in 1983 from 9.6 per cent in 1982. Opel showed a fall in invest ment in fixed assets to DM 914.6m during 1983 from DM 964.6m previously. Officials of the company reckon that capital investment in 1984 will likely fall short of the placed

DM 1bn.

potential buyers. Year.

The company did not pay
Herr Beickler put Opel's lost In 1983 Opel boosted sales
production thorough the sevenweek strike at 120,000 cars DM 14.7bn, produced almost 1m were placed into reserves.

Hongkong Tin domicile change

HONGKONG TIN, a small tin- Malaysian property-develop-mining company operating in ment company, Honfoo Realty Malaysia is to move its legal domicile to Malaysia from the UK, diversify into property, and raise fresh capital.

which will effectively acquire the existing group.

for 14.7m ringgit (\$6.3m) through the issue of 26.7m new shares. Finally, a public issue of 10.6m new shares is

The board is to incorporate a new company called Hong-kong Tin Corporation capital to 44.5m capital in Malaysia, and existing shareholders would see their participation dwindle to 16.2 per cent.

The new Malaysian Hongkong The planned rights and Tin then plans to acquire a public offerings, if fully sub-

scribed, ringgit. would raise 8.3m The board has not proceeds.

The company has requested immediate simultaneous suspension of trading on the Singapension of trading on the Singa-pore, Kuala Lumpur and Lon-don Stock Exchanges. Its shares last changed hands in Singa-pore at \$\$4.16.

The directors plan later to apply for a re-listing on the Singapore and London stock

Dutch paper group ahead

NET PROFITS up from Fl 6.4m to Fl 10.5m (\$3.2m) are reported by Buhrmann Tetterode, the Dutch paper printing and packaging group, for the first half of 1984.

The company, which staged a strong profits recovery in 1983, has gained from an increase in sales from F11.31bn to F11.48bn. It repeats the forecast of higher profits for the whole of 1984.
The group's operating earn-

ings for the six months rose to F156.9m from F148.1m. Unit earnings were F12.83, against F11.73 for the opening half

For 1983, total net profits were Fl 20.9m following a strong final quarter performance.

Nedlloyd on course for best results since 1981 BY OUR FINANCIAL STAFF

NEDLLOYD, the Dutch shipping to operate profitably, and group, has hauled itself out of expects second-half net earnings the red for the first half of 1984 to be slightly above those for with net earnings of F1 52.4m the opening six months when (\$16.1m). The comparable half-total revenue improved to year of 1983 saw a loss of F1 2.23bn from F1 2bn.

The company says its liner services improved, and there was also a better than expected contribution from oil produc-tion. In April, Nedlloyd hinted at a return to modest profits for

1984.
For 1983, a steep fall in operating profits led to a net loss of Fi 94.4m. Nedlloyd was forced to pass its dividend, having paid FI 5.50 a share in

The company says it continues torily

All this suggests that Nedlloyd is on course for its best result since 1981. For that year, net profits totalled F1 147m and shareholders received a dividend of FI 13 a share.

Liner services benefitted from the strength of the dollar together with higher tariffs on some routes and improved load factors. Although offshore drilling showed a decline compared to last year's first half, the division performed satisfac-

Ericsson sees 20% growth in earnings

By David Brown in Stockholm ERICSSON, THE Nordic region's largest telecommuni-cations and electronics com-

pany, reports pre-tax earnings for the first six months of 1984 up by 22 per cent to SKr 928m (\$111m), due mainly to an improvement in financial income and positive exchange rate developments. The group forecasts that both sales and earnings will climb by 20 per cent by the year's end, Sales for the six months climbed 20 per cent to SKr 12.3bn. Order book-

ings grew by 15 per cent to SKr 14hn. Operating results after de-preciation advanced by 14 per cent to SKr L26bn. Net financial costs at SKr 280m were SKr 57m lower than at the same point a year earlier. The group raised SKr 500m

on the domestic bond market in Sweden last spring. The group posted a SKr 12.9m extraordinary loss from holdings in associated companies, against a gain of SKr 94m in the previous period, to strike its pre-tax

figure. Ericsson Inc, the U.S. operation, jointly owned with Atlantic Richfield, continued to show heavy losses particularly in the information systems area (which suffered heavy development costs) and the cable division. The group has made plans to sell the power cable operations in the U.S.

Eriesson has gained a rising share of the world telephone exchange market with its successful AXE digital switching equipment, which has now been ordered by 52 countries. It has taken new orders from Morocco, Cyprus, and the Fifi Islands. Sales in the information systems division— which markets terminals and added a new personal com-puter to its line in June-climbed by a quarter to SKr 4bn.

Turnover was strengly ahead in the radio communications division, which received three important cellular mobile radio orders on the expanding U.S. market during the period.

Foreign sales accounted for 79 per cent of total involving

79 per cent of total invoicing.
Asia was the group's fastest growing market, but remained relatively small in terms of relatively small in terms of total turnover. Of sales on the major markets, Europe grew 28 per cent, North America 22 per cent, Latin America 21 per ceut, and Sweden 16 per cent.

The order backlog stood at SKr 23.5hn at the end of the period. Capital expenditures rose from SKr 751m to

rose from SKr 751m to SKr 957m.

• Gambro, the medical equipment group, reports a dip in profits for the first half of 1984 with net earnings moving down to SKr 43.9m,

moving down to SKr 43.9m, against SKr 73.2m for the first half of last year.

Sales rose from SKr 606m to SKr 692m, but the group has been hit by higher costs as a result of heavy capital spending. It expects net profits for the whole of 1984 to emerge at hetween to emerge at between SKr 100m and SKr 120m.

Danish banks profitable at operating level

By Hilary Barnes in Copen DANSKE BANK and Privatbanken—Denmark's first and third largest banks measured by balance sheet totals—each ny balance sheet totals each reported a substantial im-provement in first half operat-ing profits but a deficit after taking buto account unrealised

losses on bond and share portfolios. Danske Bank registered an increase in operating profits from DKr 392m to DKr 391m (\$37.2m), before depreciation and provisions. But there was an unrealised loss on the samurities posterior of DFwas an unrealised loss on the securities portfolio of DKr 523m, compared with a gain in the first half last year of DKr 1.3bn, which left a net loss this year of DKr 122m.

The bank's balance sheet total increased from DKr 60.2bn on June 30 last year to DKr 84.2bn this year.
Privathanken's operating

Privatbanken's operating profit increased from DKr 56m to DKr 294m. A portfolio loss of DKr 511m compared with a gain last year of DKr 1.5bn left a first half loss of DKr 217m before tax and pro-

Regional director for Midland Bank

Mr John Burton, at present an assistant general manager, has been appointed a regional director, MIDLAND BANK, with responsibility for the Birmingham region from September 1. He succeeds Mr Geoffrey Perfect who is retiring. Mr Brian Sharphas been appointed assistant general manager with responsibility for Midland Bank Equity group from September 1. Pre-group from September 2. Pre-group from Group from September 1. Pre-viously he was a divisional advances controller in Midland Bank's corporate finance division.

Mr David A. R. Poole has been appointed to the board of BLUE CIRCLE INDUSTRIES. He is deputy chief executive of Blue Circle's overseas operations in the Americas and will succeed the present chief executive, Mr David Baird, who, having reached the age of 60, will be retiring on October 31.

Mr Allan Pritchard has become a partner of LYDDON AND CO., stockbrokers.

Mr Ian Carruthers, has been appointed chairman of the PASSENGER SHIPPING ASSO-CIATION, which represents principal ship owners in the cruising business and many leadng ferry operators.

Mr John Browning, general manager and engineer, has been appointed a director of the BRISTOL WATERWORKS COM-PANY. He joined in 1969, was appointed engineering manager in 1972, and general manager and engineer in 1978.

Mr Allan Pritchard has become a partner of LYDDON AND CO., stockbrokers.

*
Mr Gordon W. Bridge has been appointed deputy managing

Mr Gordon W. Bridge has been appointed sales director.

tor. He was the company's senior marketing executive with respon-sibility for sales both through Melbros Car Panels and Bodicare Panel Centres.

COLE ELECTRONICS, a member of the Cole Group, has appointed Mr John Fisher and Mr Fred Glover to the board. Mr Fisher joins following a long career with Standard Telephones and Cables, retiring as general manager at Newport. Mr Glover has been with Cole since 1971 and is chief engineer.

BIRMID QUALCAST'S home and garden division has estab-lished an autonomous business unit based at its Stowmarket factory, embracing the Ateo and Webb brands, Mr Dennis Holden has been appointed managing director to head the company, and Mr Barry Wanless, previ-ously Atco sales and marketing manager, becomes sales and mar-keting director. Mr Steve Ander-son, manufacturing director and site general manager, and Mr. Derek Keeble, financial director, counsete the garden machinery board. At Qualcast (Garden Pro-ducts), another home and garden division company, Mr Ken Allen and Mr Peter Mostyn become and Mr Peter manyin necome joint managing directors; Mr Colin Barker manufacturing director and site general mana-ger; Mr John Cooper marketing directer; Mr Alan Dudley finan-cial director; Mr Tony Hayward

product engineering director; and Mr Brian Slythe sales director.

appointed company secretary of TAYLOR WOODROW INTERNATIONAL. He succeeds Mr Richard Morbey who became company secretary of Taylor Woodrow on July 1. Mr Johnson injued Taylor Woodrow Interjoined Taylor Woodrow Inter-



company secretary, Taylor Woodrow International

in Oman and transferred in 1977 to Nigeria. He became assistant to the company secretary of Taylor Woodrow International in 1983.

31st July, 1984

These Notes having been sold, this announcement appears as a matter of record only.

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Rights for Green Island as losses worsen

BY DAVID DODWELL IN HONG KONG

GREEN ISLAND CEMENT, the Hong Kong currency troubled Hong Kong company controlled by Mr Li Kashing. yesterday announced plans for HK\$86.4m (US\$11m) rights issue aimed at reducing mount-

worse than for the same period The company blamed con- share prices for Green Island tinued recession in Hong and Cheung Kong—the holding Kong's construction industry, increased costs resulting from low output, and weakness of the

It also cited serious problems at China Cement, in which Green Island holds an indirect 20 per cent staks. Mr Li revealed that China Cement was at present negotiating with The company at the same time revealed losses for the first six months of this year of HK\$120m—more than HK\$10m rise to a HK\$98m loss.

Following the announcement,

exchanges. The Hang Seng acquired by Cheung Kong, and index, also hurt by the news, he would buy the majority of slipped by 16.87 points to end any shares not taken up. the day at 891,12.

borrowings had been trimmed from a high of HK\$840m in 1983 to the current level of about HK\$370m, continued deteriora-tion in the cement industry "which may have a material impact on future operations" made a rights issue essential. He plans to offer 17.28m at HK\$5 a share, com-

Mr Li said that although bank after tax of \$39.9m, with extra-orrowings had been trimmed ordinary losses of HK\$80.3m lifting net losses to HK\$120.2m. This compares with net losses in the first half of 1983 of A severe cost reduction programme has been carried out, with "activities which do not

immediately contribute to cash-

flow" being curtailed or eliminated. This would enable

the company to withstand the current downturn, Mr Li said.

The company revealed losse Lloyds Bank Plc

> respect of £25,000 nominal of the Notes will be £695.18. 24 August, 1984, London By: Citibank, N.A. (CSS) Dept), Agent Bank

CITIBANC



CREDIT COMMERCIAL DE FRANCE U.S.\$250,000,000 Floating Rate

Notes due 1996 For the six months 22nd August, 1984 to 22nd February, 1984 the Notes will carry an interest rate of 12%% per annum with a coupon amount of US\$632.50. The relevant interest

payment date will be 22nd February, 1985. Listed on the Luxembourg Stock Exchange By: Bankers Trust Company, London Agent Bank

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Exco profit soars 165% in first half

results from Telerate and a significant increase in money broking profits have enabled Exco International to produce profits before tax of £33.13m for the first half of 1984. This compares with £12.51m in the corresponding period, giving an increase of 165 per cent and with £32.46m for the whole of

to 4.25p on capital increased by the March £68m rights issue at a net cost of £3.32m (£1.78m)— the final for 1983 was 4p.

The group operates as money brokers, stockbrokers, runs financial services and supplies information. Its turnover in the half year shot up from £29m to £78.3m, and its operating profit from £8.39m to £30.22m.

Associated companies and

Associated companies and partnerships provided another £2.91m (£5.62m).

Telerate, in which the group now has a 52 per cent equity holding, lifted its pre-tax earnings by 56.5 per cent in the pine. holding, lifted its pre-tax earnings by 59.5 per cent in the nine minority holding in Carr; a further £16m was used to subsattributable to the continuing the U.S., and dramatic growth in sales in Europe, Asia, the Middle East and Africa in recent months, arising from the expanded marketing effort of the continuing of the profit of the p

Distillers hints

at upturn but

warns on costs

Mr John Connell the chairman of the Distillers Company, indi-cates in his annual statement that the company may expect an

In July this year the company

reported a drop in pre-tax profits from £209.3m to £191.6m for the year ended March 31 1984.

EXCELLENT AP-Dow Jones/TELERATE, a company formed last October.
"We do not believe that tion will have any impact on Telerate's profitability in the foreseeable future," the directors state.

Renewed volatility in interest and foreign exchange rates aided by an increased shareholding in Noonan Astley & Pearce Inchas resulted in a significant ingroup continues to trade at a crease in money broking profits very satisfactory level, the in all the geographical regions the interim dividend from 8.5p the interim dividend from 8.5p year, stock markets around the world were buoyant, much to the benefit of stock broking subsidiary, W. I. Carr Sons & Co (Oerseas), and the fund manage, ment group, Gartmore, both of which had an excellent first half. A significant proportion of earnings continue to be in U.S. dollars and annual results, which are currently translated which are currently translated to sterling at year end rates, would inevitably be subject to the effect of fluctuation in the exchange rate.

Of the rights issue proceeds,

Of the rights issue proceeds, f8m was used in May to purchase substantially all of the minority holding in Carr; a further £16m was used to subscribe for 55 per cent of the shares of a new company, London Forfalting Company.

In June 292 per cent of the



Mr John Gunn (left), chief executive, and Mr William Matthews, group managing director, at the offices of Exco International. They report massive growth for the first half of 1984 with profits up by 165 per cent, and say current trading continues to be very satisfactory.

option to acquire the remainder the half year's net profit as and when the Stock Exchange relaxes its rules on outside ownership. Results produced by shown at 16.45p (12.02p).

This year has the whole of the benefit of the New York money broking operation, which was only half-owned last time. Underlying profits on money broking, ignoring the changes in share ownership, have increased by about 30 per cent.

Exco still has £45m of its last rights issue cash. Talks with the U.S. securities firm Cantor Fitz gerald now appear to have ended. gerald how appear to have ended.

but the money still looks most
likely to be spent in America.

"We like America," said Mr
Matthetys. "It is such a Vast
market and there are a lot of
things to look at there." A num
her of propositions are being ber of propositions are being looked at "but we are not in a hugh rush to spend the money. We are taking a three to five year

Exco admits the money was raised when it saw advantages in having cash as a safety net and possibly to enable it to make

possibly to enable it to make the cheap acquisitions.

Mr Matthews said his takeover preference would be for "something big rather than a lot of small ones, provided it is well managed and would have the potential to contribute signifi-

managed and would have the potential to contribute significantly to profits."

Exco wants to develop its stockbroking business both in the U.S. and the UK. It is very interested in trading U.S. Government securities, but does not

Queens Moat expansion—up £1.2m halfway

profits to £2.78m has been recorded by the Queens Moat Houses hotels and restaurants group for the first half of 1984. And the directors say the excellent trading experienced in the period continues into the second half, with forward order book-ings looking "most encouraging." Additionally, the full benefits of the five-hotel Saxon Inc chain and the 248-bedroom Hilton improvement in the current year, but that it would be "impru-dent" at this early stage to say

International at Stratford upon-Avon will not be fest until 1985. With these and other hotels with these and other notes coming through to their full potential, and expansion con-tinuing by way of extension and refurbishment. as well as acquisition, the directors are confident that further substan-

since his annual statement of two months age there had been a rise

in interest rates and some slow-ing down in industrial output and

He added that "the beer market has been surprisingly unresponsive to another good

summer and output for the industry is not expected to show any gain on 1983.

"Nor can we ignore the broad impact o fihe miners' strike on our commercial interests."

ronsumer expenditure trends.

on which dividends totalled 13.65p (13p) net. Mr Connell warns that a num-Mr Connell warns that a number of factors which caused last year to be so difficult remained. "Although there are grounds for believing that the worst is behind us in some countries, there are as yet no indications of a significant improvement in the situation prevailing in a number of important markets for Scotch whisky which are S & N weighs up Scotch whisky which are partially closed to us for economic, political or fiscal prospects

"Under these circumstances, the difficulty in the short term of increasing profits through sales expansion or raising prices emphasises the need to improve productivity and reduce costs."

Mr Connell adds that the company is operating in a rapidly changing trading environment in its markets. "We shall adapt ourselves to meet the challenges its markets. "We shall adapt ourselves to meet the challenges creaetd by these changes, and I am sure that the considerable wealth of talent which exists

within the company will, backed by our financial strength, enable us to face the future with con-The accounts show that in 1983-84 there were 20 employees

1983-84 there were 20 employees whose emoluments amounted to between £30,000 and £35,000, against 11 the year before.

Shareholders funds as at the year-end amounted to £1.09bu (£1.08m). Over the 12 months Shareholders funds as at the year-end amounted to £1.09bu (£1.08m). Over the 12 months there was an increase in working capital of £54.3m compared with £63.6m previously. 563.6m previously.

Meeting: North British Hotel,
Edinburgh, September 20, at further progress in the current

tial progress is assured.

The record half year demonstrates the benefits accruing from the policy of concentratfrom the poncy of concentrating on the commercial sector in the 56 provincial hotels as well as in the Drusy Lane Moat House, the directors state. It also reflects the success of the expansion programme which has added more than 900 bedrooms over the past 12 months.

over the past 12 months. In the half-year to July 8, profit In the half-year to July 8, promit was struck after rents £585,000 (£407,000) and interest charged £207m (£1.79m). Tax takes £209,000 (£201,000) and net earnings are shown at 1.68p (1.19p). The interim dividend is held at a the capital increased 0.665p on the capital increased by the one-for-five scrip issue, giving an effective rise of 20 per

Queens Most continues to operate five public house/ restaurants and recently acquired the 100 bedroom Cunard Cambridgeshire Hotel together with the leisure activities. The search for other expansion opportunities continues, comment

Queens Moat Houses has always stood to do well from the increase in business travel which began last year and has accelerated in 1984. Growing numbers of tourists, especially from overseas, are also staying at attractively-located hotels, adding an extra element to the group's performance. Beyond this, the results for the first time show the full benefits of the 1982

acquisition of 26 hotels from Grand Metropolitan, which transformed Queens Moat, though the more recent purchases of the Stratford-upon-Avon Hilton among others have yet to deliver their full potential. The group remains keen to expand by further acquisition and by extending existing hotels, but is unlikely to ask shareholders for more cash after three rights issues in as many years. The group should make £6.5m pre-tax this year putting the shares, up ip to 441p, on a prospective p/e

ip to 44ip, on a prospective p/e of about 12, giving the low tax charge of under 10 per cent. At this level Queens Moat is no bargain but the price reflects hotel group whose income independent of the

Norfolk Capital trading well

FOLLOWING the return to profits in the second half of last year, the Norfolk Capital Group of hotels reports a substantial reduction in its loss for the first six mouths of the current year. It has fallen from £345,000 to £139,000 and the directors say they view the outcome for the year to September 30, 1984 with "considerable confidence."

The return to an interim of 0.075p net. Following the success rights, they intend to be examining proposals to additional hotels to expanded an interim of 0.075p net. Following the success rights, they intend to be examining proposals to additional hotels to expanded in profit at the Royal Court has improved significantly year — it re-opened in the success rights, they intend to be examining proposals to additional hotels to expanded the first financial base a examining proposals to additional hotels to expanded the first financial base and the first financial base Mr David Nickson, chairman of scottish & Newcastie Breweries, at yesterday's annual meeting commented on future prospects in the light of recent economic changes and the lack of response in the beer market to the good summer weather. The chairman pointed out that

They say current trading is continuing well and, as a result of the marketing strategy and buoyant summer tourist trade, the company is achieving selves offer little indication of increased occupancy levels. In the current state of affairs at the second half of last year, there was a profit of £400,000. retiance on the summer tourist there was a profit of £400,000.

In the six months, to March 31, the group returned to a trading profit with £186,000 (loss £82,000), being hotels including rents received £184,000 (loss £83,000) and share dealing and dividends received £1,000 (£800). Interest charges were up to 325,000 (£263,000). Loss per share is given as 0.73p (1.82p).

The directors reaffirm that the dividend for the year will at least be held at 0.2p on capital increased by the March rights issue, and have declared

Following the success of the rights, they intend to build on the firm financial base and are examining proposals to acquire additional hotels to expand the group's earning capacity.

Occupancy and operating profit at the Royal Court Hotel has improved significantly this year — it re-opened in early 1983 after extensive refurbishcomment

These trading figures in them-

With borrowings at about 20 per cent of equity the group is able to fund this work without asking shareholders for more. The shares, up ip at 18p, look expensive in relation to any reasonable forecast for the current year's earnings but the price is at least in line with the net asset value. There is also the possibility of renewed takeover interest, which was generated earlier this year when the hotel groups Stakis and Kennedy Brooks built up and then sold stakes in Norfolk. The 30 per cent interest of the chairman Lady. Losson cent interest of the chairman Lady Joseph, widow of Sir Maxwell Joseph, might yet encourage the attention of the

James Dickie

Trading losses at James Dickie and Company (Drop Forgings) increased from £4,848 to £16,550 in hte six months to April 30 1984. No interim dividend is Trading losses at James Dickie and Company (Brop Forgings) increased from £4,848 to £16,550 in hte six months to April 30 1984. No interim dividend is being paid against £5p last time and a final of the same amount. Turbover of this Scottish company improved from £1,92m to £2,08m. Interest received was lower at £13,094 against £21,395,

Overseas setback leaves APV £2.2m down SETBACKS in overseas opera-tions at APV Holdings hit pre-tax

profits for the first half of 1984, leaving the result sharply down from £7.75m to £5.57m. Turnover of this group, which makes specialised process plant, moved up from £169.85m to £187.75m.

Sir Ronald McIntosh, chairman, says that the forward order position is satisfactory. Orders received in the first half of 1984 were up on the same period last year and indications are that the group will enter 1985 with a larger order book than at the

larger order book than at the beginning of this year.

The net interim dividend has been held at 4.5p—in the last full year a total of 11.25p was paid from pre-tax profits of £18.27m, First half basic earnings per share were shown as falling from 13.4p to 9.3p.

Commenting on the results, Sir Rouald says that most of the fall in profits occurred in overseas

n profits occurred in overseas companies, notably in the U.S., South Africa and Asia. Profits in Europe and the UK were up, with refrigeration companies, in particular, showing a good recovery from low figures last

Nevertheless, Sir Ronald admits that the result for the group as a whole is "disappoint-

ing."

Changes in top management were announced last month, he says, and the directors have instituted a rigorous programms of cost reduction throughout the or cost reduction throughout the group. This will involve some further expenditure on rationali-sation, but this will be before the end of the year While priority is being given

to the cost reduction programme, Sir Ronald says that the directors are fully aware of

At the trading level, profits fell from £8.88m to £6.78m. Interest costs rose from £1.07m to £1.2m to £1.2m.

Tax was lower at £2.66m (£3.41m), and there were minority credits of £35,000 this time (debits £204,000). Extraordinary debits rose from £76,000

to £686,000, leaving the attributable balance down from £4.07m to £2.25m. Dividends will absorb comment

Any hopes that APV would weather the recession relatively unscathed have been well and truly dashed. All that has happened is that the downturn has arrived later in the cycle, compounded by the strong dollar's effect on the important U.S. businesses. But unlike other engineering companies, where the troubles have mainly centred on lack of demand, APV's difficulties are almost entirely margin-related with the exception of APV Equipment in the U.S., which has been struggling to find orders for non-food plant. The problem is that head office to find orders for non-rood plant.
The problem is that head office
has allowed overheads to escalate
and this has led to the hefty pro
gramme of head chopping, par ticularly in the larger manufac-turing companies, and the plan to implement much stricter supervision of on-site expens for large contracts. The blood-letting is certainly not over, but once APC has licked the margin problem, progress can be resumed. The share price has

DIVIDENDS ANNOUNCED APV Holdings BBA Group int. 0.84
Beales (John)** 2.5
Blue Circle int. 6 British Assets ... 3rd int. 1.6 Cadbury Schweppes int. 1.6 Norfolk Capital ... int. Nortolk Capital int. 7 0.08.
Olives Paper int. Nil
Parambe int. 0.67
Saga Holidays int. 0.67
Saga Holidays 1.3
Sunbeam Welsey|| int. 1

Cadbury Schweppes preparing for ADR share issue in U.S.

Cadbury Schweppes yesterday reported an 18.5 per cent profit increase for the first 24 weeks of 1984 and confirmed that it inof 1994 and comment that it is tends to soon proceed with a previously postponed issue of shares in American Depositary Receipt form in the U.S.

Sir Adrian Cadbury, chalisman, commenting on the pre-tax pro-

fit rise from £33.5m to £39.7m says: "The benefits of invest-ment in improving efficiencies and consumer value can be seen in the encouraging increase in sales and the higher trading

margins."
Sales for the period to June 16 rose by 13.9 per cent to £825.8m and trading profits increased by just over 20 per cent from £42.5m to £51.1m.
Referring to the ADP issue, which was postponed because of the state of the Stock Market in May and June. Sir Adrian 5375 that the company will proceed when the necessary regulatory approvals have been obtained.

approvals have been obtained. The company will issue between 40m-60m shares. Net earnings per share improved by 20 per cent to 4.68p and the interim dividend is being

and the interim dividend is being lifted 0.1p to 1.6p. Last year's final dividend was 3.9p from full year taxable profits of £106.9m. Sir Adrian adds that "in the UK both of our major companies, Cadbury and Schweppes, achieved higher sales volumes and increased their market shares. Schweppes' litre sales were 19 per cent shead of 1983 and the launch of Cadbury's new product. Wisna. continues to be

and the launch of Cadbury's new product, Wispa, continues to be highly successful and confirms our confidence in its potential as a major brand.

"Cadbury' Typhoo increased its volume sales by 6.7 per cent, but the sharp rise in the cost of raw tea reduced margins compared with the previous year."

UK turnover rose by £48.7m to £339.1m and trading profits £399.1m and trading profits expanded from £21.7m to £24.6m. As already known, the Austra-lian company produced a good set of results with trading profit set of results with trading pront
37.5 per cent up at £11m, with
both confectionery and drinks
achieving higher sales and
profits Cadbury Schweppes
Australia aims to complete the
purchase of Cottee's General
Foods by the end of this month.
This will change the com-"This will strength the com-pany's base," Sir Adrian says.

The American region also achieved a sharp increase in trading profit of 33.3 per cent to £6.8m to which confectionery companies made a major contribution. Schweppes performed well in a highly competitive well in a highly competitive market and while price increases affected Duffy-Mott volumes in the first half, growth prospects for the year remain good. The Canadian businesses increased both volume sales and trading

profits.

Sir Adrian goes on to say that results of the European region

HIGHLIGHTS

strategy unveiled yesterday by Woolworth, the interim results from Cadbury Schweppes in the run up to its ADR issue in York the marker's cynical reaction to the figures from money broking and financial services group, Exco, and the market's resigned reaction to market's resigned reaction to those from Blue Cavele Industries, still struggling through its UK rationalisation. Finally the column looks at the performance of Novo Industri, in the light of its setback in enzymes. Elsewhere, Kleinwort. Benson is launching a disguised rights issue with a hid for London Prudential, Tottenham Hotspur is making big profits and Meggitt is taking its first step on the acquisition trail.

were encouraging, with the Irish confectionery business 20 per cent up in volume and Schwappes sales in Spain, France and Ger-many well ahead of last year. Marketing investment in Europe was increased to strengthen the position of company brands are

their market shares.
Investment in fixed assets con-Investment in fixed assets continued at the same level as in 1963 but with increases in capital expenditure in the U.S. and Australia being balanced by reductions in the UK. As is normal, seasonal working capital requirements made the level of borrowings at this time of year higher than at the year end. Changes in exchange rates Changes in exchange rates accounted for £24.4m of the increase in group sales and £1.3m of the rise in profit before

The taxable result was struck after net interest payable of £14.5m (£11.6m) and included a higher contribution of 53.1m (\$2.6m) for associates. Profits were subject to tax of £18m (£13.5m), after which minority interests took £2.9m (£2.6m). Retained profits came out at £13.6m. against £10.7m. from which the interim dividend will absorb £7.2m (£6.7m).

Chubb/Racal

Chubb has written to share-holders saying there is nothing in Racal's document to change the advice already given to you. "The offers clearly undervalue Chubb and fail to recgonise its future prospects. Racal's bid is wholly inadequate. Reject it."

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> > 4.037

Date Corre- Total of sponding for

BBA Group

Interim Results Highlights

	First	Half
	1984	1983
	£'000	£'000
Turnover	88,062	77,704
Exports from United Kingdom	8,031	7,826
•		
Profit before taxation	3,887	2,844
Taxation	2,432	1,943
Profit after taxation	1,455	901
Attributable to minority interests	284	77
Profit attributable to		
members of BBA Group PLC	1 171	824
members of BBA Group PLC		

Group turnover for the six months, at £88,062,000, shows an increase of 13.3% on the corresponding period of 1983.

Profit before taxation, at £3,887,000, has increased by 36.7%.

The Directors have declared an unchanged interim dividend of 0.84p per ordinary share.

Profit for the whole year is expected to be higher than that reported for 1983.



Cleckheaton, West Yorkshire

Spurs scores £0.7m in strong second half

rease of some 6 per cent on the E850,000 forecast made at the Group turnover rose from time of the offer for sale last .£3.57m to £4.76m, with the major October. After a net loss of share coming from match receipts £492,000 in the transfer market at £3.1m against £2.36m. Income (loss £617,000) profits came out from the contracting of executive at £4.10.000 at

The directors state that during the current year the contribution

IN THEIR first year as a publicly listed company, Tottenham Hotspur turned in profits, before tax and transfer fees, of £902,000 against £168,000. The bulk of the increase, some £719,000, came in the second half.

The result represents an increase of some & near can an increase of some of cessful year.

October. After a net 1088 of £492,000 in the transfer market (loss £617,000) profits came out at £410,000, a turnround from a deficit of £449,000.

A dividend of 2.3p net per share is recommended, again as forecast. Earnings per share are given as 11.6p before transfer fees, and 5.3p after.

The group's principal activity is the operation of a professional football club, but it also has interests in related leisure activities, property development and travel.

The directors state that during the current year the contribution at £3.1m against £2.36m. Income from the contracting of executive boxes was up by £111,000 to T £662,000, and other income constituted £994,000 (£659,000).

Total costs were £3.86m m (£3.4m), of which players and staff costs were £1.77m (£1.59m) and match and ground expenses the £1.23m (£817,000). Interest the period £19,000). After the dividend, which absorbed £117,000 (mil), the group was left with £283,000 in retained profit (loss £430,000).

(loss £430,000).

The directors state that their initial objective was to create a new corporate structure and to provide the right framework for the expension into leisure related fields. This has now been accomplished, and the expansion is underway.

The club's season ended on a page and conference activities into the first team. But the line-up will be much clearer once the results of various planting inquiries, and appeals, are thought to make the production of the production of the first team. But the line-up will be much clearer once the results of various planting inquiries, and appeals, are the provided the right framework for the first team. But the line-up will be much clearer once the results of various planting inquiries, and appeals, are the provided the right framework for the expension into leisure related in the provided the right framework for the expension into leisure related in the provided the results of various planting inquiries, and appeals, are the provided the results of various planting inquiries, and appeals, are the provided the results of various planting inquiries, and appeals, are the provided the results of various planting inquiries, and appeals, are the provided the results of various planting inquiries, and appeals, are the provided the results of various planting inquiries, and appeals, are the provided the results of various planting in the provided the results of various plantin

high note with the success in winning the UEFA Cup in May. comment

The prognosis is good with determined efforts to get the travel, rate thus far.

disposal surplus to fund all the non-footballing projects or a stream of development income to match the required stage paymatch the required stage payments. The alternatives to the spur fan, who completely dominates the share register, the news that Glenn Hoddle has signed a new contract probably means more than the disclosure that the club has beaten its flotation forecast by 6 per cent. But if the shares, unchanged yesterday at 73p, are to recover and overtake the 100p issue price, new management's success on the non-football side will be crucial. The prognosis is good with determination of the previously tripling burden of debt, playing costs bave been strictly controlled to move in line with controlotball side will be crucial. The prognosis is good with determination of the previously the dividend with something to spare. That, if nothing else, is a

Insley deal initiates Meggitt growth plan

Meggitt Holdings, the machine balance with some 20 institutool group, is embarking on the first leg of an acquisition-led expansion programme which will eventually see the return of Mr

balance with some 20 institurelate to 1983. However, turnover explanation. After all, Insley's operating profile cannot be described as high-tech which is to raise £1.65m before expenses ponding period of last year.

Meggitt Holdings, the machine balance with some 20 institurelate to 1983. However, turnover explanation. After all, Insley's operating profile cannot be described as high-tech which is what all this institutional support is looking for. Rather it gives Keoneth Coates and Mr Nigel McCorkell to the electronics and

defence sectors.

The initial step, however, takes Meggitt into cutting tools, working holding equipment and specialist precision ball distribrtion through the acquisition, for \$2.6m, of Insley (London).

The consideration will be funded partly by a vendor placing and partly through a rights issue and, on both counts, Investors in Industry is main-

ne veodors of the family leading to the family controlled company will receive £292,00 in the six months to April 20 to show a pre-tax profit of £152,000. There is no forecast to \$00,000 of the placing shares and Capel-Cure Myers. \$00,000 of the placing shares support the cash call and the and Capel-Cure Myers, brokers most recent profits from Insley, to Meggitt, are to place the amounting to £331,000 before tax,

through a one-for-two rights issue, again at 38p per share, to which 3i has agreed to take up maintains its existing 19.996 per is full entitlement so that it cent share of the equity. It will also underwrite the issue.

The vendors, Mr L. Insley and his wife Mrs E. R. Insley, will acquire on completition Insley's 14,000.sq ft factory and 1.3 acres of accompanying land at Bracknell for £500,000 in cash which will be leased backed to Meggitt on a 21-year term at an initial montal of £42,000. taining its support for the new rental of £42,000.

Meggitt says that it will not pay dividends in respect of the year to end-October although the Insley acquisition will help in

this respect so the group thinks that it should be in a position to resume payments next year. comment Investors knew exactly where they were with Meggitt's rights,

at 30p, at the turn of the year and the placing which partly finances the first bout of acquisitive activity merely widens the net of funds persuaded to back a management team tested at Flight Rerfuelling. So there should be no qualms about the absence of a dividend or a profits Meggitt might require

what air this institutional support is looking for. Rather it gives Meggitt cash flow, and some growthe prospects, as a "building block" from which the forthcoming phase of defence elec tronics expansion can be constructed. Its effect is to double Meggitt's net worth to 15m while providing £2.6m of

cash and near cash. That does not provide very much firepower for further deals so, unless the group somehow finds a snip in the highly rated electronics sector, the call on shareholders' cash remains and will probably be exercised sooner than later. The shares lost 3p to 46p, which is pretty resilient in the face of this heavy tranche of new equity, and the ex-rights price of 43ip forecast but the direction which and the ex-rights price of 43 in this deal seems to be taking gives market capitalisation of

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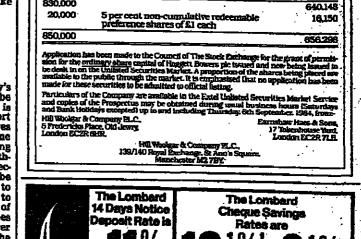
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UK COMPANY NEWS

Interest costs depress Blue Circle

ALTHOUGH OPERATING profits at Blue Circle Industries moved up by £7m to £67.1m for the first half of 1984 thanks to the overseas companies after allowing for a £4.8m jump in interest charges to £14.7m, and higher plant modernisation costs the taxable figure was down from £48.2m to £47.6m.

Turnover of this cement manufacturer moved ahead from E408.6m to £426.3m.

The net interim dividend has been held at 6p, with earnings per f1 share shown as falling from 26.5p to 25.6p before extraordinary items.

In the last full year a total of 19p was paid from pre-tax profits
of £109.5m (£107.8m). At the
A breakdown of operating
last annual meeting the directors profits by geographical area

said that the company continued to improve the productivity of operations by heavy capital expenditure, which would mean increases in borrowings and interest charges.

Depreciation in group companies in the UK is based on the panies in the UK is based on the revaluation of fixed assets at January I 1979 or on subsequent cost. Overseas subsidiaries and related companies depreciation is based on revaluations at varyis based on revaluations at varying dates or at cost. The directors say if depreciation had been charged on original cost of assets only, pre-tax profits for the half-year would have been increased by £8.5m. Depreciation took £26m (£23.8m).

shows: UK £22.5m (£27.7m); of £1.8m with many shows: UK £22.5m (£4.8m); Africa and overseas.

£14.4m (£14m); U.S. £9.1m All U.S. operations benefited i (£2.2m); Latin America £5.7m from a strong upturn in demand and performed "extremely well."

The directors said later that likely to

Despite a small increase in the overall size of the UK cement market, home trade cement deliveries remained unchanged at 3.9m tonnes. Imports into Northern Ireland have shown

The reduction in UK operating profit reflects continuing cement price restraint at a time when the benefits of substantial cost saving measures, particularly the major updatings of works at Cauldon and Dunbar, have yet to

Armitage Shanks contributed cent. to operating profit, an increase

The directors said later that exceptional items are likely to be similar or slightly bigger in the second half, over the whole of 1985, exceptional charges should be well down although there is likely to be some carry over in the first half of tha

and is estimated at about 58 per

British Alcan surges to

CONTINUING benefits from last the merger with British Alu-year's rationalisation measures minium in 1982, and is ultimately and further price improvement owned by Alcan Aluminium of in fabricated products have been reflected in the first half surge in taxable profit from £3.1m to £26.3m at British Alcan Alu-

The result in the period to the The result in the period to the end of June 1984 already beats the £22.1m reported in the last full year, but the directors warn that "in the present national industrial circumstances," the outlook for the rest of the year must be viewed with caution. The group was formed out of

After tax at £1.2m (£1.6m) and

Capital expenditure was restricted during the six month period. The cash generation achieved has enabled the group to reduce borrowings by £26m.

BBA sees further recovery this year

BBA Group, a Yorkshire-based friction material and industrial textile manufacturer, made a recovery in the first six months of this year and pushed taxable profits up by 36.7 per cent from £2.84m to £3.89m.

Despite the uncertainty of the outcome of the miners' strike, the company expects that the full year profit figure will exceed the £5.5m earned in 1983. In 1979 the company achieved profits of £8m.

The interim result was achieved on turnover ahead by 13.3 per cent to £88.06m, with both overseas and UK opera-tions contributing to the im-

Overall, UK companies remained in profit compared with a loss in the first half of 1983 and overseas operations UK recorded a 20.9 per cent profit

Although there was little change in the proportion of sales between the product divisions. industrial operations notched up a 198 per cent improvement on a 17.5 per cent sales rise against respective increases of 2.3 and 11.9 per cent on the outomotive

11.9 per cent on the outomotive side.
Stated group earnings per share moved ahead from 1.42p to 2.02p. The interim dividend is being held at 0.84p net.
Attributable profits emerged at £1.17m (£224,000) after higher fay of £24m (£1.44m).

requirements of the Council of The Stock Exchange.

Extract Wool Holdings PLC

Scanro Holdings PLC

Issued and to be Issued Fully paid Authorised Share Capitai* 63,150 in 4.2 per cent. (formerly 6 per cent. gross) 63,150 Cumulative First Preference shares of £1 each 72,850 in 4.9 per cent. (formerly 7 per cent. gross) Cumulative Second Preference shares of £1 each 72,850 in Ordinary shares of 50p each 1,408,500 1,544,500 1,670,000

*Upon completion of the Placing referred to below, the existing Preference shares will be converted into 272,000 Ordinary shares of 50p each, credited as fully paid.

On 31st July, 1984 Extract Wool Holdings PLC ("the Company") entered into an agreement to purchase Scanro Limited, now one of the world's leading manufacturers and distributors of rindsurf boards and accessories. This agreement is conditional on the Placing referred to

In connection with a Placing of 282,000 Ordinary shares of 50p each of the Company at 105p per share, application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the Company's issued Ordinary share capital (including shares arising on the conversion of Preference shares) in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted

A proportion of the shares being placed have been offered to and will be available through the Market. Particulars concerning the Company are available in the Extel Unlisted Securities Market Service and copies of the Prospectus may be obtained until 7th September, 1984

> Grieveson, Grant and Co. 59 Gresham Street, London EC2P 2DS

Saga looking for profit increase over full year

TRADING CONDITIONS were generally difficult for Saga Holldays in the half year ended April 30 1984, and pre-tax losses rose from £2.07m to £2.26m. But the directors say they can be fairly coufident that profits for the year should show some increase as compared with the £2.44m achieved in the previous 18 months.

But almost more important are the changes, refinements and improvements which we are making to our products and organisation which give me conence for the longer term," he Turnover in the first half came

to £18.59m, against £21.91m, but this represents less than 30 per cent of the year's figure. There was some reduction in the period mainly as a result of a fall in mainly as a result of a fall in demand for continental and cruising holidays marketed in Britain, although this was partly offset by an increase in sales of UK based and long-haul holidays. In the half-year gross profit came to £2.73m (£3.2m) but was outweighed by administration

and marketing expenses of £5.7m (£5.91m). Net investment income improved from £645,000 to £715,000, After tax credit £685,000 (£848,000) the net loss was £1.57m (£1.22m) or 8.73p (6.77p) per share.

crease as compared with the £2.44m achieved in the previous 18 months.

The effect of moving the year end from June 30 to October 31 will mean that in this and future years there will be a considerable disparity in results between the first and second halves. The two main trading seasons of spring and autumn will both fall into the second half.

Looking further ahead, Mr Roger de Haan, who took over the chairmanship at the end of June on the retirement of his father, says bookings for 1984-85 are running 20 per cent above the comparable period, although only a relatively small proportion of bookings for the year have been received.

"But change in the accounting year means that Saga's two main trading seasons fall into the second half, so the announcement of first half losses should not set off any alarm bells. A legacy of the ill-fated Laker Holidays acquisition, the decision to change the year's earn marketing, but it is also going to make it difficult to make any sense of the interim results. Hence the company's upprecedented forecast, which carries with it the assurance of continuing recovery. If £25m pretax is reached, this will mean an annualised increase of 37 per cent. Reading between the lines, comment cent. Reading between the lines, however, it seems that the increase will be entirely due to the new U.S. operations, which are now accounting for 30 per cent of group sales. At home are now accounting for 30 per cent of group sales. At home Saga will probably do no better than mark time. It admits it gave too much attention to the Laker débâcle and neglected to broaden the product range to suit the changing needs of the over-60's traveller. More exotic long-haul destinations are now being introduced but this will long-haul destinations are now being introduced, but this will only have an impact next year. The 100p shares, up 1p, are sell-ing on a prospective multiple (35 per cent tax charge) of 11, which seems to be pitched about right.

Specialty business rises at Yorkshire Chemicals

AN UPTURN to protex profits AN UPTURN in pre-tax proms
from fi31,000 to £140,000 has
been shown by Yorkshire's 7 per cent increase
in pre-tax profits was below even
the city's most modest expectations, and the shares accordingly
dropped 3p to 41p—less than onethird or the group's 137p net
asset value. Any recovery in the
dyseruffs market which takes

second half will continue to be adversely affected by the absorption of resources and costs disproportionate to short-term benefits.

Comparisons have been amended by £214,00 for a stock discrepancy.

Turnover moved up from £13.6m to £15.27m. At the operating level profits improved from £502,000 to £577,000, but were subject to higher interest costs of £437,000 (£371,000).

The directors say work has been going on for the past year in terms of new products, new markets, re-equipment and modernisation of information systems which started to create a more broadly spread business based on speciality chemical and metal. During the period sales of speciality products increased by 39 per cent and now represent 26 per cent of total sales against 21 per cent in the first half of 1983.

As indicated at the annual meeting, the group is absorbing substantial costs in developing plant and processes in order to bring about this growth. This sector of activities is continuing to grow

£26m in first six months

minium.

Turnover rose from £272.9m to

*322.5m, from which operating profit emerged substantially up at £38.1m against £13.4m. Interest charges took £11.8m (£10.3m). minority. interests £0.3m (nil) attributable profit rose from £1.5m to £24.8m.

1 Distillers

Adapting to change gives us confidence for the future.

WORLD-WIDE SALES

(excluding duty)

1. NORTH AMERICA 24%

3. AFRICA 6%

2. CENTRAL AND SOUTH AMERICA 8%

SUMMARY OF RESULTS

	1984	1983
	£m	£m
: _,	1,134.1	1,127,2
•	181.6	201.7
. •	191.6	209.3
•	35.35p	38.29p
	13.65p	13.00p
		1,134.1 181.6 191.6 35.35p

Extracts from the Review of Operations in the Annual Report and Accounts for the year ended 31st March 1984

SALES OF SCOTCH WHISKY To export markets

The continuing effect of the economic problems experienced by many of the major world-wide markets for Scotch whisky led to a decline in Group shipments of 10.7%. However, the Group slightly improved its share of industry shipments, due to relatively good sales to the USA, where Dewar performed particularly well and Johnnie Walker Red Label and Black Label, distributed by Somerset Importers, maintained their strong positions in the market.

South America was the trading area most seriously affected by factors such as the devaluation of local currencies, import restrictions and high local taxation and here the Group's trade declined by one third. In Japan, sales of White Horse, the Group's leading brand, were satisfactory as were those of Old Parr. The new brands shipped exclusively to the Japanese market, White Horse Extra Fine and Johnnie Walker Old Harmony, fulfilled expectations.

Although faced by intensified competition, the Group succeeded in maintaining its share of bottled in Scotland shipments to the EEC, a market in which Scotch whisky continues to enjoy strong consumer appeal. Johnnie Walker Red Label occupied a leading position in this important market.

To the home market

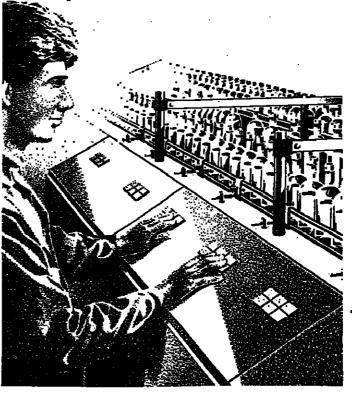
During the year, industry figures for sales of Scotch whisky showed an increase of 5.2%, in which the Group shared. The market remains extremely competitive and, to increase Group penetration and effectiveness, a new company, The Distillers Company (Home Trade) Ltd, was brought into being. This company has assumed responsibility for marketing and selling in the UK

nearly all Group brands of Scotch whisky and Pimm's and Hine Cognac.

SALES OF WHITE SPIRITS

As a result of the re-organisation of existing resources, a new White Spirits Division was formed to co-ordinate the production, marketing and sale of Group brands of gin and vodka. A further rationalisation occurred with the commencement of operations at Tanqueray Gordon's new bottling complex at Basildon, which will accommodate the bottling of Gordon's and Booth's Gins and Cossack Vodka at a significantly lower cost.

Demand for gin in the UK showed some improvement and the brand leader, Gordon's,



increased its sales. Although shipments of Gordon's to export markets were slightly lower, there was a substantial increase in export sales of Tanqueray Gin, particularly to its major market, the USA.

Geographical analysis of Group turnover

12% ASIA AND AUSTRALASIA 4.

18% CONTINENTAL EUROPE 6.

32% UNITED KINGDOM 5.

The overall increase in world sales of the Group's brands of gin encourages the belief that there is still further potential for the development of this traditional and versatile spirit.

FOOD GROUP

Whilst profits did not reach last year's record level, good progress was made in a number of trading sectors. The marketing and distribution activities of the United Yeast Company continued to expand, with new lines and further development of sales of frozen food.

CARBON DIOXIDE

Profits were again good although a little below the improved level of 1982/83.

OVERSEAS OPERATIONS

The Group completed the purchase of the whole of the issued share capital of Somerset Importers Ltd of New York on 16th May 1984. The price paid in cash at completion was US\$250 million funded by the US\$250 million unsecured revolving credit facility from a syndicate of banks.

In his Statement the Chairman, Mr. J. M. Connell, said: 66 We are operating in a rapidly changing trading environment in the world markets where we sell our products. We shall adapt ourselves to meet the challenges created by these changes, and I am sure that the considerable wealth of talent which exists within the Company will, backed by our financial strength. enable us to face the future with confidence.99

The Distillers Company plc

The One Hundred and Seventh Annual General Meeting of The Distillers Company plc will be held at the North British Hotel, Edinburgh; on Thursday, the 20th day of September, 1984, at 12.15 p.m.

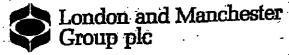
Half-Yearly

The premium income and new business figures of the insurance subsidiaries for the half-year ended 30 June 1984 are as follows (the corresponding figures for the six months to 30 June 1983 are shown in brackets).

1 PREMIUM INCOME $\{29.1\}$ 37.3 Ordinary Branch (13.9)**Industrial Branch** 14.3 (3.6)General Branch 2 NEW BUSINESS FIGURES

(10.5)**Annual Premiums** (10.7)Single Premiums (258.0)Sums Assured

The new business figures are net of reassurances It should be noted that the new business figures at the half-year do not necessarily provide a reliable guide to those for the full



BIDS AND DEALS

Kleinwort is London Prudential bidder

BY ALEXANDER NICOLL

Kleinwort Benson Lonsdale, the holding company for the Kleinwort Benson merchant banking group, emerged yesterday as the bidder for the London Prudential Investment Trust, which is run by its own investment management arm. Kleinwort is making an agreed

hid worth about £14m for the trust, which it will liquidate. The effect will be to raise roughly as much capital for Kleinwort as would a one-for-twelve rights

This method of raising capital, termed a disguised rights issue, has been increasingly popular among companies seeking to broaden their shareholder base and to raise cash without a direct appeal to existing shareholders But in Kleinwort's case, it ared that simple expediency had dictated the move.

Lincroft Kilgour yesterday ex-changed another round in their

and investment group, urged shareholders to reject the increased offer, and Finlan dis-missed the statement as mis-

Finlan, a property development and construction group thaired by Mr Graham Ferguson formand

Finlan's offer is essentially a Finlan said.

Group sales

Dividends

Group trading profit

Group profit before tax

increase of 13.9%.

Earnings per share rose 20%.

the end of this month.

progress shown in the first half.

33.3%.

obtained.

Earnings per share (net basis)

declared on the Ordinary Shares.

Finlan says Lincroft bid

John Finlan and its bid target cash-raising exercise. Lincroft Lincroft Kilgour yesterday ex charged yesterday that Finlan

chaired by the Grandan registor formance Analysis Services, was Lacey, is offering 55 of its shares rejected by Finlan as misleading plus 615p in cash for every 41 Lincroft shares. It it also offering to pay the 1.5p Lincroft treated Lincroft as a textile company and Finlan as a construction group. Lincroft has become 23.79 per cent of Lincroft and primarily an investment company

received acceptances for its primarily an investment company initial lower offer of another and Finlan is now mainly a

defence is 'misleading'

London Prudential, one of eight investment trusts managed by Kleinwort, had received other bid approaches. Dominion International, which made a similar bid for Anglo-International Investment Trust on Wednesday, was believed to have been among those interested. Mr Christopher Eugster, a

Kleinwort, said the bid had seemed a convenient way of resolving London Prudential's future, given that it was prob-ably about to be taken over. Kleinwort had no urgent need for capital, he said, but needed to broaden its capital base to support its expansion in international securities markets.

had a weak balance sheet and falling profits, and that Finlan's

share price would collapse if the bid succeeded. It also produced a graph giving an unflattering picture of Finlan's degree of

solvency and a rosy view of Lin-

The graph, prepared by Per

formance Analysis Services, was rejected by Finlan as misleading

primarily an investment company

property development company.

brokers Grieveson Grant when Stock Exchange rules permit. Initially it is buying 5 per cent, but the price has not been disclosed.

Kleinwort has also paid £19m to acquire ACLI Government Securities, renamed Kleinwort

Securities, renamed Kleinwort
Benson Government Securities, a
primary dealer in U.S. government securities.

Kleinwort shares feil 10p to
360p, valuing the group at £917m.
Kleinwort has never previously
made a rights issue of any kind,
and the new shares to be issued
as a result of the bid will account
for about 7.6 per cent of the
340p per Kleinwort share, at 102
per cent of London Prudental's net asset value.
London Prudential's halfdozen major institutional shareholders, who account for a
majority holding between them,
are believed to view the offer

Derek Bryant

of I. R. Stock

to acquire 90%

Derek Bryant, a specialist Lloyd's broking group, plans to acquire 90 per cent of London reinsurance broker, I. R. Stock.

Bryant, quoted on the Unlisted Securities Market, will issue 238,500 shares valued at about 537,000, and 183,500 of the shares will be placed at 225 p in

Stock specialises in non-marine excess of loss and pro-portional treaty business from Lloyd's and London insurance companies. Mr Ian Stock will retain a 10 per cent holding, to be acquired by Bryant within five

Shares of Bryant, of which the capital will expand by 11 per

cent as a result of the purchase. were unchanged yesterday at

Half Year

1983

725.3

42.5

33.5

3.90p

Sir Adrian Cadbury, Chairman

6.7

Cadbury Schweppes

PROFIT UP 18.5% ON SALES UP 13.9%

Interim Results for 24 weeks ended 16th June 1984

Half Year

825.8

51.1

4.68p

● A net interim dividend of 1.60 pence (1983 1.50 pence) has been

• Group profit before taxation was £39.7m., an increase of 18.5% over 1983 on sales which were £100m. ahead at £825.8m., an

• Trading profit was £51.1m., an increase of 20.2% compared with

Cadbury Schweppes Australia increased trading profit by 37.5%

• The American Region achieved an increase in trading profit of

• The Company expects that the issue of shares in the USA will

proceed when the necessary regulatory approvals have been

I am confident that for the year as a whole we can build on the

and aims to complete the purchase of Cottee's General Foods by

• In the United Kingdom, Cadbury and Schweppes brands

achieved higher sales and market shares.

14.6 per cent stake last January. 250p, and any excess over this is expected to take cash for its bolding. 250p, and any excess over this value will be paid at 100 per cent in cash.

Shares of London Prudential, which have a net asset value of about 230p, rose 4p yesterday to 236p, after gaining 12p the pre-vious day.

each to the value of 111 per cent net asset value, as determined when the offer goes uncondi-tional. The offer is subject to a Anid the recent spate of linkups between British financial
institutions, Kleinwort Benson
has agreed to acquire stock
Anid the recent spate of linkare believed to view the offer net asset value, as determined
favourably, and some are likely when the offer goes uncondito take Kleinwort shares. Atlanta
tional. The offer is subject to a
linvestment Trust, which bought a maximum net asset value of

Astbury & Madeley (Reldings) has agreed to acquire the capital of Austenwood Holdings with effect from January 1, 1984 for

Consideration will be satisfied

by £662,415 in cash and the issue

by £662,415 in cash and the issue of 430,500 new ordinary shares of 20p each in Astbury & Madeley (Holdings). The new shares will not qualify for the interim dividend for the year ending December 31, 1984.

Austenwood Holdings has two wholly-corned trading subsidies.

wholly-owned trading subsidia-ries. British Fittings (Hendon) and British Fittings (Glasgow).

At December 31, 1983, Auste wood Holdings' consolidated net assets were £1.4m and profit be-

fore tax was £121,111. Turnover amounted to £6.53m.

distributor of valves, tubes and tube fittings in the east, south east and southern counties. Briish Fittings (Glasgow) has

Year

1983

1,702.8

125.6

106.9

13.60p

24.2

£m

British Fittings (Hendon) is a

The cash alternative is 102 per cent of net asset value, up to a value of 250p, with the excess over 250p again being paid at 100 pe reent. An offer will be made on behalf of stockbrokers Hoare Govett to buy or find buyers for Kleinwort shares not taken up by trust shareholders.

Because the small size of the Kleinwort capital increase will not seriously dilute existing holdings, present shareholders will have no formal rights to subscribe to the new Kleinwort

shares.
London Prudential's portfolio is aminly invested in a broad spread of UK, U.S., and Japanese equities. It is being advised in Robert Fleming.

Mr John H. Watson,

principal vendor, who is at

present chairman and managing director of Austenwood Holdings,

has agreed to remain as the

chairman of that company for

The acquisition of Austenwood is in line with the policy of Astbury & Madely (Holdings) to

extend the activities, particu-larly in London and the south

Cole Group purchase

A turnround from losses of

£39,000 to £211,000 prefits has left Needlers in the black at the

midway stage for the first time

since 1981.
Mr R. F. Needler, chairman,

says the improvement in the 25-week period to June 23 1984 is due to a large increase in turn-

over, up from £4.32m to £5.24m, arising from a growth in main UK brands and the doubling of

Earnings per share are quoted at 9.5p (lose 2.4p).

reverse takeover of Extract Wool Holdings, a quoted company which was renamed Scanro Holdings.

Grieveson Grant are placing 282,000 shares of Scanro at 105p each, giving a market value of £3.24m. The p/e, on forecast pre-tax profits of £410,000, up from £312,744, is 12.8.

* * *

Announcing a £210,000 in-teresse to £405,000 in taxable profit in the first half of 1984, the directors of Unibond (Holdings) stress that although the increase is significant, the comparable profit figure was depressed.

Astbury buys Austenwood

four years.

Carless chairman reported to Panel

Mr John Leonard, the chairman of Carless, Capel & Leonard, which on Tuesday launched a takeover bid worth over £100m for Premier Consolidated Oil-

for Premier Consolidated Olf-fields, is being reported to the Takeover Ponel.

Schroder Wagg, the merchant bank advising Premier, is report-ing the Carless chairman for an alleged infringement of the City takeover code. In a national newspaper published on Wednes-day, he was reported as exting day, he was reported as saying that he had no intention of increasing the offer for Premier. Carless' offer is an all-share bid

Carless' offer is an all-share bid of one of its shares for every three shares in Premier.

The takeover code insists that a bidder must not say that he will not revise his initial offer the closing date of that offer. Carless has not even sent out its offer to Premier shareholders, since it has not yet received from since it has not yet received from Premier a copy of its share-holders' register. Lazard Brothers, the merchant

bank advising Carless, last night had no official comment to make on the move by Schroder Wagg.

BOC/Norsk Hydro

The industrial chemicals divi-sion of Norsk Hydre has entered into negotiations with The BOC Group for the acquisition of the latter's Danish subsidiary, Aktiefatter's Danish substictary, Aktie-selskabet Kuisyre OG Toris-fabriken (Union). Negotiations are at an advanced stage and it is anticipated that the acquisition

COMPANY NEWS IN BRIEF

Cole Group has acquired will be completed by the end of September 1984.

September 1984.

Union is a major supplier of carbon dioxide and dry ice in Denmark. The company is also achieved in the years ended March 31 1985 and 1986.

Wailis is engaged in the development and manufacture of high voltage power supplies. In

They warn further that the full year results will inevitably be affected by certain non-

The group, a manufacturer of adhesives, which came to the USM in January, is to pay a first-

ever interim dividend of 1.5p net

per share.
Turnover rose from £3.88m to

recurring costs connected the move to new facilities.

boosts North Kalgurli

The latest full-year profit com-pares with a loss in 1982-83 of A\$1.06m, and has been made in spite of the lower gold price. North Kalgurli described the year as one of "good progress," with gold production 48 per cent higher at 59,000 ozs in the wake of a 50 per cent increase in mill

running at an annual rate of 70,000 or since April.

The company added that the main features of the past year were the rapid development of the surface oxidised ore discovered last year, and the commissioning of a separate oxide circuit in the treatment plant. In addition, 10,000 metres of development work vital for the mine's future were completed during the year. £4.99m, from which operating profit emerged at £4.39,000 (£285,000). No interest was payable (£57,000). Tax took over £100,000 more at £185,000 and these was avtraordinary de-

UK brands and the doubling of their export volume.

The pattern of trade of this maker of confectionery has changed and therefore the second half will no longer be significantly better than the first, but the chairman expects a full year pre-tax profit of over £400,000.

Tax was up from £2,000 to £17,000 and there will be a provision for deferred tax in the annual accounts.

\$4.99m, from which operating profit emerged at £439,000 (£258,000). No interest was payloud (£257,000). Tax took over £100,000 more at £105,000 and there was an extraordinary deferred tax profit of tax provision of £100,000 to £100,000 to £100,000 to £100,000 to £100,000 more at £125,000 and there was an extraordinary deferred tax profit emerged at £439,000 (£258,000). Tax took over £100,000 more at £100,000 and there was an extraordinary deferred tax provision of £100,000 more at £100,000 and £100,000 more at £100,000 more during the year. (adjusted 3.28p) after.

* * *

Pre-tax profits at USM publisher Metal Bulletin moved up from £325,600 to £499,000 for the

Dealings in the shares of Scanro, the windsurf board manufacturer and distributor, are expected to begin on the USM on Monday.

The prospectus was published yesterday following a meeting of shareholders on Wednesday when approval was given for a reverse takeover of Extract Wool Holdings, a quoted company which was renamed Scanro Holdings.

Criswasan Grant are placing from £2.5600 to £499,000 for the first half of 1984. The directors say indications are that pre-tax by about 10 per cent.

Following changes in tax rates, coupled with group policy of providing for deferred tax in full, bet profits should be more than 20 per cent ahead.

They say higher profits are traditionally generated in the second half.

Turnover rose from £2.05m to £2.79m.

The net interim dividend has been lifted from 2.2p to 2.5p, on stated earnings per share of

6.1p (3.6p). With a rise in profit before with a rise in profit before tax from £162,000 to £168,000 at the halfway stage, the directors of Arthur Wood & Son (Long-port) are confident that the current financial year will pro-

BOARD MEETINGS

Amax in line as a partner in \$210m Chile mine venture

BY KENNETH MARSTON, MINING EDITOR

poration (Corfo) says that it prefers proposals put forward by America's Amax for a \$210m (£160m) joint m ining venture there to those of Lithium Cor-poration of America, a sub-sidiary of Gulf Resources and Chemical Corporation.

The venture involves he min-ing of potassium sales, boric acid and lithium in the northern Atacama Desert, in parmership with the Chilean molybdenum producer Molibdeno y Metals and Corfo.

and Corfo.

Corfo said it expected that if a deal was reached with Amax, about three years of further exploration and study would be needed before a final go-ahead decision was taken. Amax regards the news that it has the edge over Lithium Corporation as a "significant development towards an important project."

Commercial production could be reached in about 5x years be reached in about six years with maximum output talding

CHILE'S State Development Cor- annual production would amount to 500,000 tonnes of potasium chloride, 193,000 tonnes of potasium sium sulphate and 23,000 tonnes of boric acid. The conversion would run for 30 years. Corfo added that negotiations

were likely to centre on the (it has a wide range of uses covering the aluminium, oil, synthetic rubber and ceramic industries) and on the share of ownership in the venture. Present thinking is for Amax to have about \$2 per cent with 13 per cent for Molibdeno and 25 per cent for Corlo.

Lithium production requires the agreement of Chile's Nuclear Energy Commission (lithium also has nuclear applications) and could cause problems with another project which has just got under way in the Alacama

The latter, a joint venture between Corfo and Foote Minerals, has an exclusive prolonger, the rate presumably Minerals, has an exclusive pro-depending to some extent on duction clause for lithium for market circumstances. Full the early years of the operation.

Higher gold production

year as a whole.

Net profits for the 12 months were A\$374,000 (£244,000), after a deficit over the first three-quarters of the year of A\$38,000.

The latest full-year profit company with a loss in 1893,22 of

throughput. Gold output should be even higher in the current financial year, with production running at an annual rate of

28,9 per cent of North Kalgurli

THE EXPANSION of treatment capacity at the Western Australian gold operations of North Kalgurii Mines seems finally to be paying off, with the news that an excellent performance in the fourth quarter of the year to June 19 has resulted in the company returning to profits for the year as a whole.

and effectively controls the company.

Over the past year, Metals Ex has increased profits by 74 per cent to A\$648,000.

But the company's nickel mining was suspended at Nepean, Western Australia, pending a recovery in the nickel market, while tin production fell

market, while tin production fell owing to the removal of plant from the Sandy Flat venture in northern Queensland to Gibson-vale in New South Walcs, where commercial alluvial tin mining is planned to start this month.
The unconsolidated Metal Ex

The unconsolidated Metal Exploration Queensland, which owns 50 per cent of the Greenvale lateritic nickel-cobalt joint venture in Queensland, reduced its loss for the year from A538.6m to A532.8m.

The decline in the Australian dollar helped to offset the impact of the continued low nickel price of U.S.52.20 per pound, while there was an increase in production to 70 per cent from 50 per cent of design capacity.

AUSTRALIA THE MINING AND DIL

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BANKING	DEPARTM	ENT
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58	44	Bray Technologies	44	_	3.6	7.9	5.1	7.3
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SALES AND TRADING PROFIT BY GEOGRAPHICAL REGION Trading profit Half Year £m 21.7 3.6 5.1 8.0 United Kingdom 350.4 24.6 109.8 Europe 4.5 America 157,7 147.6 11.0 Australia 102.5 81.2 48.3 Other overseas 56.7 <u>4,2</u> 4.1 **825.8** 725.3

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BOB REYNOLDS, the chief planning officer of Hounslow in west London, is not an especial admirer of the two-lipped door snail. He is, nevertheless, happy to have the little mollusc.

Mr Nicholson that County Hall, itself on the receiving end of a blue for £80,000 costs and a for £80,000 costs and a blue for £80,000 costs and a for £80,000 c on his side in his fight to pre- man vent one of the most controver-sial development schemes ever mination to add Lot's Ait to the proposed along the River list.

The snail lives in the inter- armies of experts, analysts and tidal mud flats which lie off the advisers to press their case, in riverbank at Brentford. Along with the equally obscure hairy snail and the rare Sea Clubrush shoal of red berrings—they have been dragged into a planning battle in which the central issues often seem to have been swept away in a tide of accusa tions, invective and innuendo.

The story of the struggle by Dimsdale Developments, the private property group headed by Dennis Beadle, and Crow-vale Properties, an Associated Newspapers subsidiary, to develop a new island village and quay is one in which the dividing line between planning and politics seems as clouded as the Thames itself.

A public inquiry into the proposals, which entails filling in a stretch of the river around Lot's Ait—one of three islands off Kew Gardens—will resume at Hounslow civic centre next week. Which location will have t mud stuck to it by the end of the hearing is hard to assess. It is a planning battle in

ant and enthusiastic property

armies of experts, analysts and what they all accept is one of the most crucial planning inquiries ever staged in the greater London area

It is a plenning battle in

which emotions are running high and politics are being played to the full. Take, for example, the words of George Nicholson, chairman of the Greater London Council planing committee: "We cannot tolerate a jam-packed scheme tolerate a jam-packed scheme which would create a precedent which would create a precedent of allowing speculators to bury part of London's beloved Thames under thousands of tons of concrete: Developers are trying to grab part of the river for themselves to build houses for the rich."

No river

"Where on earth would it end? We would have no river

has been disgraceful and scan-dalous and our proposals have been sented. repeatedly misrepre-

"Let no one imagine we are attempting to destroy some green and pleasant stretch of Thamesside land. The site in question involves a derelict col-lection of ugly buildings on which Brentford has, until now, been happy to turn its back. If the council gets its way, it could end up as a sand and

ballast depot or a scrap metal the plans in order to the plans to t low asked Beadle to advise them on the future of the run-down riverside at Brentford. They partnered each other in the development of Thamesside House, a 22,000 sq ft office scheme now fully let, and also worked together in establishing the nearby Waterman's Park arts centre and office complex.

But things began to go wrong when the socialist-controlled council changed its office development policy in 1980 and left Dimsdale with a riverside site acquired in the belief that left. Someone might then want left Dimsdale with a riverside to deck over the Thames site acquired in the belief that throughout central London just to build more tourist shops." an appeal, Dimsdale got its per-No one, apparently, has told mission and Hounslow found

used for industrial river purposes and has rejected Dimsdale's attempts to provide a mix of housing, offices and public amenities which the company claims will revitalise the

The developer's first proposals involved enlarging Lot's Alt, joining it to the mainland and developing 148 homes, ranging in price from around £36,000 to £100,000. In April last year, mittee adjourned a decision on the plans in order to allow more discussions between the two

Whether or not those talks ever took place has provoked a major row. Reynolds says discussions were duly held but Dimsdale denies it and at the Dimsdale denies it and at the re-opened inquiry will demand proof the talks were held—in the shape of entries in the chief planning officer's diary. Beadle says he will go to the High Court, if necessary, to ensure the relevant documents are

reported "no progress" to his committee and the Dimsdale proposals were rejected by 11 votes to 10, with two absten-

bank, around 21 acres of water would be filled in with 170,000 cubic metres of sea-dredged aggregate and the island would be raised by about 8 ft. Both the original proposals and the latest plans are being examined together by the inquiry inspector.

Bob Reynolds says grounds for refusal centre on arguments of planning policy and precedent, although the council is equally anxious— along with a number of conservation organisations—to preserve the natural riverside environment.

"The plans would create a backwater creek into which silt and sediment would be deposited. The water would no and would become stagnant, dirty, unattractive and incapable of supporting wildlife. We are hardly basing our case on the fate of the two-lipped door small but the future of such creatures is an issue."

offices.

In the river. Once that is Hounslow planners have abused allowed, the developers will the planning system and set bank, around 21 acres of water would be filled in with 170,000 bigger and more profitable."

Hounslow's chief planning officer says the plans will involve "a huge and expensive engineering operation aimed at we don't want housing on that

Roberts is also critical of the role of the Port of London Authority, which owns the stretch of water involved and which seems ready to agree to the Dimsdale scheme. "It is staggering that a body whose terms of reference are to maintain and protect the river should agree to any plan to fill it in. A realist has to accept, however, that the PLA is hard-pressed financially and that one of its board members is also an Associated Newspapers man."

Dismissed

Hounslow also says it has Perhaps more fundamentally, the council says the plan is no precedent for represents a huge overdevelopment of a sensitive site. In has taught us is that local be site coverage, the planners say much more clearly defined the exceeds all the proportions policy towards the river. It is too important to handle on a piecemeal basis."

the planning system and set obstructive course.

"Decisions have been made which have nothing to do with providing very small and very planning and everything to do expensive homes. In any case, with local politics and oldfashioned dogma. This inquiry has been forced to listen to detailed argument on planning points which should have been raised in preliminary negotiations. But we were never given the chance to hold those discussions. The hearing could cost as much as £350,000 and we will be going for full costs, whatever

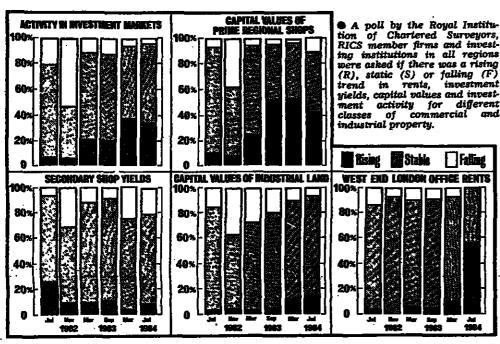
> Dimsdale says its already has an agreement with the PLA to an agreement with the That to fill in the Thames and to ensure that 'the Authority benefits financially from the develop-ment. Beadle states flatly: "The PLA has powers to infill the river without consent from any-one else and I have a piece of paper in my pocket allowing me to get on and do it. As for the precedent argument, the PLA itself has given us a long list of riverside sites where this has

in Hounslow's campaign is the emergence, with an inquiry still running, of a tree preservation notice for Lot's Ait. There are According to Dennis Beadle: three trees on the islands and Decisions have been made our experts say all three are

> "How can the council persist in its criticism of our scheme on the basis it will harm the local environment when it has openly acknowledged that it proposes this part of the riverbank should be earmarked for general industrial use? When barges were repaired at Lot's Ait, mechanical hammers, elec-tric drills and saws were used all the time. Hounslow is now apparently happy to contemplate a lifetime of noise, vibration, smell, smoke, dust and grit, rather than a pleasing riverside can work and live."

Even the plucky little freshwater snail with a penchant for mud has, according to Beadle, been misrepresented. "The door snail is not that rare along the river and, in any case, he lives primarily around the next island and not on ours. We Beadle rejects all the arguments about over-development, pointing to higher-density projects all over the borough and is clearly annoyed that, further signal and not on ours. We know, because we got someone to dig a few up." What else remains to be dug up at the inquiry, likely to run for another couple of weeks, is

THE FT/RICS PROPERTY INDICATORS



Few signs of strong revival

ACTIVITY in the UK commercial property investment market remains comparatively subdued, according to the findings of the 25th Business Indicator poll conducted jointly by the Royal Institution of Chartered Surveyors and the Financial Times.

At the time of the last poll,

لايدانة بياء

At the time of the last poll, in March, there were clear signs that investment interest was finally reviving after a pro-from the picture recorded four longed period of low spending activity. Since then, there has been some evidence that insti-been some evidence that instibeen some evidence that institutions have been more ready to contemplate stepping up property investment programmes but the latest poll findings show their return to the market remains.

Ine overall stuation remains static, with minimal reports of any increases in yield levels and with reductions largely confined to prime regional shops and secondary shops.

The present trend of invest-ment yields shows little change from the picture recorded four

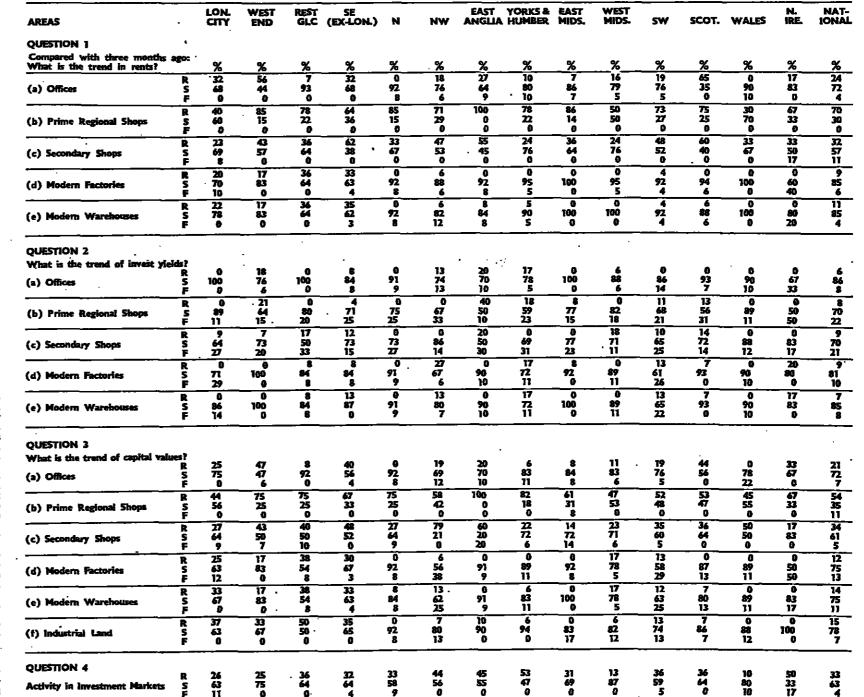
rents have only managed to do so for the past six months. They comment: "The better performance of secondary shops performance of secondary studys in a recession is the opposite of what many people would expect. It is argued that sales in the best trading positions are less vulnerable to fluctuations than more peripheral locations. On the evidence of the past five years, this appears not to be so; if anything the reverse

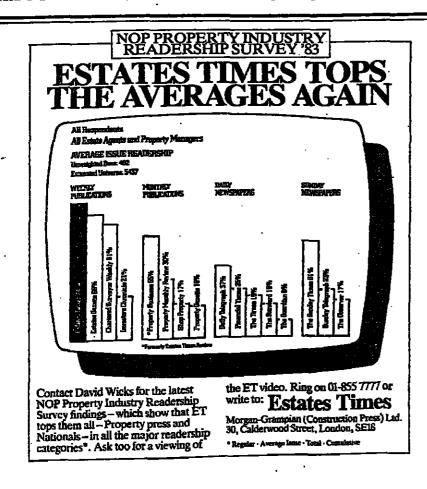
According to the 25th indica-tor poll, the national picture shows both prime and seconbeen some evidence that institutions have been more ready to contemplate stepping up property investment programmes but the latest poll findings show their return to the market remains cautious and highly selective.

In March, about 40 per cent of respondents reported a rising level of investment activity in the property sector, but by July the proportion was down to a third. In the major investment markets, such as the City of London and the West End, rents have stayed ahead of inflation since 1981 while prime

minimal reports of any investment with the increases in yield levels and with reductions largely confined to prime regional shops and secondary shops.

This week, a report from Hillier Parker May & Rowden shows that rents for secondary shops and secondary static rentals. The City of London are now on the increase but there is evidence that West End rentals are at last beginning to move. At the time of the March poll, only 11 per cent of respondents throught office rents in the West End were increasing but now the figure has moved up to 56 per cent.







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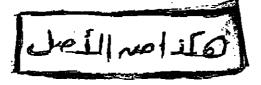
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MARKET REPORT

Prospect of dock strike unsettles markets but fails to worry investors

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July 30 Aug 3 Aug 10 Aug 20
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Sept 3 Sept 13 Sept 14 Sept 24

The prospect of Britain's second national dock strike within a mouth unsettled London within a month unsettled London stock markets but at the same time appeared not to unduly worry investors. Lettle nervous selling developed and by the end of yet another quiet trading session yesterday some dealers reported having sold stock on balance.

Less favourable U.S. market trends—long bonds and equity values both reacted after the recent good advance—also made for a more cautious investment approach. London jobbers defen-sively marked values down at the opening in order to deter-potential sellers and the ploy was generally successful.

Down over 8 points at the first calculation of the day, the FT Industrial Ordinary share index slowly picked up during the afternoon to close a net 6.4 lower at 235.2. The broader-based FTSE 100-share index settled 9.1 off at 1,081.1.

Standard rally

tained the biggest fall at 328p.

caned the biggest fall at 328p, down 7.

Renewed profit-taking in the wake of the half-year results left Pearl a further 10 down at 878p. Other Life issues followed with Equity and Law closing 5 off at 178p and Legal and General the same amount cheaper at 530p.

Jaguar were sold down to 170p, the lowest level since dealings. the lowest level since dealings the lowest level since dealings began two weeks ago, before edging off the bottom to close 4 cheaper on balance at 171p. Among other recently issued equities. U.S. oil exploration group Great Western Resources gained 15 to 210p, after 230p, following confirmation of a favourable drilling report in the D.J. Basin, Wyoming.

The chairman of Scottish and

The chairman of Scottish and Newcastle gloomy remarks at yesterday's annual meeting, par-ticularly his admission that the ber market had been surpris-

mes openerally successful.

Cheap buyers began to operate, once again on behalf of small private clients, but the ensuing rally was stopped short by early afternoon reports that Scottish dockworkers would strike from today in protest over British Steel's unloading of the blecked coal carrier Ostia.

As sterling weakened, the small losses in Government securities were extended to and occasionally more. The exchange rate then became a major consideration and when it later recovered against the dollar, Gilts moved away from the lowest. Longer-dated issues finally irresponsive to another good summer, depressed the Brewery sector. S. and N. dropped to 1099 before closing 5 down on balance at 1109, while saw relinquished 7 to 3839, after 3809, and Altied 3 to 1579. Well-small losses in Government securities were extended to a couple of pence to 300p, after 297p, on light profit-taking following the withdrawal of recent speculative support.

Leading Building issues turned against the dollar, Gilts moved away from the lowest. Longer-dated issues finally irresponsive to another good summer, depressed the Brewery sector. S. and N. dropped to 1099 before closing 5 down on balance at 100p, while Steel's to 1579, while Steel's 10p, while Steel's 10p, on light profit-taking following the withdrawal of recent speculative support.

Leading Building issues turned against the dollar, Gilts moved away from the lowest. Longer-dated issues finally irresponsive to another 380p, and the provide the provide summer, depressed the Brewery sector. S. and N. dropped to 1099 before closing 5 down on balance at 10p, while Steel's 10p, while Steel's 10p, on light profit-taking following the withdrawal of recent sections the dollar, Gilts moved against the dollar, Gilts moved against the dollar, Gilts moved a gainst the dollar, Gilts moved a gainst

House of Fraser rise

dent annual statement.

Stores were featured by another speculative rise in Honse of Fraser, 8 better at 276p. W. H. Smith A, at 144p, closed a similar amount higher following comment on the impressive interim figures. Sumrie Clothes hardened a couple of pence more to 85p, after 88p, after speculative buying in the wake of the board Dull since reporting disappointing interim profits on Tuesday, Standard Chartered staged a technical recovery and closed a couple of pence more to \$5p, after \$8p, after \$9p, after \$9p, after \$9p, after \$9p, after \$peculative buying in the wake of the board charges drifted lower for want of support with Midland susFINANCIAL TIMES STOCK INDICES

	Aug. 25	Aug, 22	Aug. 21	Aug 20	Aug 17	Aug. 16	Year ogo
Government Secs	79.89	80.17	80,15	79.80	79.95	80,17 ¹	. 79. 7
Fixed Interest	83,29	83,48	88,34	83,19	83,24	83,01	82,5
Industrial Ord	835,2	841.6	839.9	855,2	838,3	834,1	717
Gold Mines	578.4					561,6	672
Ord. Div. Yield	4.92	4,86					
Earnings, Yid.% (full)	11.56	11,49 ¹	11.56	11.65	11.58	11.65	9.5
P/E Ratio (net) (*)	10,40	10,46	10,40	10.52	10,38	10.52	13,0
Total bargains (Est.)	17,984	17,625	16,822	17,920	17,724	17,718	19,70
Equity turnover 2m.:		247.11					
Equity bergains	- ;	16,527:	14,583	13,740	14,257	15,009	15,24
Shares traded (ml)	- '	132.6	114,5	111,5	125,6	138,8	114
10 am 833.	5. 11 a	om 833.7 m 834.6.	Noon	833.5. 834.5	1.pm 8	34.1.	

HIGHS AND LOWS S.E. ACTIVITY

_ :	19	B4 .	Since Compilat's		ince Compilat's		Aug	
	High	Low	High	Low		22	81	
Govt. Seas Fixed Int Incl. Ord	(9/1) 87,48 (14/3) 923,8	75,72 (80/7) 80,43 (86/7) 755,3 (84/7)	187,4 (8/1/36) 185,4 (28/1)/47, 988,8	(8/1/75) 50,03 (81/1/75) 49,4	Daily Gilt Edged Bargains Equities Bargains Yalve 5-day Average Gilt Edged	132,0 100,6 499,5		
Gold Mines	(8/5) . -711.7 (8/5)	485,7	784.7	43.6 (26/19/71)	Bergeins Equities Bergeins Value	145.4 94.7 435.4	147,8 96,5 448,0	

ments o 14 and 6 respectively were recorded in Austin Reed "A." 98p, and J. Hepworth, 278p. NSS Newsageuts gave up 4 more at 114p as bid hopes faded following W. H. Smith's admission that it would not bid for another respected that after absorber.

that it would not bid for another newsagent chain after abandoning earlier this year its offer for Martin the Newsagent. Freemans, at 112p, lost 6 of its recent Pressinspired rise.

Leading Electricals drifted lower in the absence of support. GEC, down 4 at 204p, failed to benefit from the joint contract for the Docklands light rail system. Bale Electronic, reflecting disappointment with annual results, fell sharply to close 9 cheaper at 78p. Occasional losses elsewhere included. Atlantic Computer, 10 off at 280p, and Crystalate, 8 cheaper at 245p. Apart from a relatively lively trade in GEN, up 4 at 172p on anticipations of U.S. support, leading Engineers traded on an extremely quiet note. Elsewhere, movements in response to tradmovements in response to trad-ing statements provided most of the day's features. James Dickie dipped 7 to 23p on the heavier

interim loss, while APV, reflect-ing lower half-year profits, fell 8 to 232p. Meggitt ended 3 lower at 46p following the first-half figures, acquisition news and proposed rights issue.

figures, acquisition news and proposed rights issue.

Takeover situations, both actual and rumoured, continued to provide most of the interest in Foods. Tate and Lyle were the subject of considerable speculative activity on rumours that Dalgety are contemplating a bid and the former soared to 380p prior to closing a net 11 up at 383p. Dalgety closed 2 cheaper at 404p, after 400p. Brooks Bead, in receipt of an offer from Tate and Lyle, moved between extremes of 108p and 111p before closing without alteration at 110p. Old takeover favourite Rowntree Hackintesh drew fresh support and firmed 6 to 320p. Cadbury Schweppes, under selling pressure late on Wednesday, responded to the satisfactory preliminary results by improving a couple of pence to 182p. However, by the close the price had reverted to the overnight 130p.

Among Hotels and Caterers. Queens Most, Houses revealed good interim profits and the price haddened to 45p prior to closing a shade dearer at 441p.

Highgate and Job up

Highgate and Job up

Inclinded easier initially, most rials picked up to close only a few pence lower on the day.

Metal Box, a recent U.S. favourite, seifled a couple of pence lower at 352p, after 348p, while Glaro closed 5 off at 955p. Pilkington, however, were noteworthy for a loss of 7 at 263p. Elsewhere, Highgate and Job featured with a further rise of 25 to 115p in further response to Ramsdell Trading's 25.5 per cent stake in the company. Associated British Ports, unsettled by the prospect of a national dock strike, closed 3 lower at 190p, after 188p. UKO International were a relatively lively market and touched 95p before closing 3 firmer at 96p. Bank Organisative, the previous day's speculative favourite, ran back 6 to 250p on profit-taking. Other dull spots included ACR Besseret 10 on profit-taking Other dull spots included AGB Research, 10 off at 305p, and Applied Computer

Among Motor Components, E814, President Brand. £291, and Leas Industries came on offer Western Deep. £37. More marginal issues showed Silipancering cheapened a penny marginal issues showed Silipancer for a two-day fall of 6 at 600 on further consideration of the poor preliminary results. Engineering cheapened a penny more for a two-day fall of 6 at 409 on further consideration of the poor preliminary results. Dunlop gave up 2 to 40p.

Against the quietly firm trend Against the quietly firm trend in Paper/Printings, Olives Paper Mill declined 2 to 31p, after 29p, on the omission of the interim dividend and first-half deficit. Jefferson Smurfit, firmed 7 to 141p and More O'Ferrall gained a 1820.

The threat of another dock strike made scant impression on the Shipping sector. Ocean Transport cheapened a few pence to 111p but P & O Deferred improved 4 to 312p.

In common with many other market leaders, Courtands were marked lower at the outset and closed 3 off at 119p. Eisewhere in Textiles, John Beales advanced 4 to 82p in response to the good annual results.

Imps softened a penny more for a two-day decline of 6 at 155p, sentiment still soured by an un-favourable circular from Scrimgeour Kemp-Gee.

Profit-taking in the wake of the excellent interim figures left Exco 23 down at 460p. Among other Financial Trusts, Kwahu attracted speculative support and rose 3 at 21p. Elsewhere, London Prudential touched 243p before closing 4 higher at 236p following the bid from Kleinwert Berstein 10 lower at 360p.

Oils mixed

Beneficiaries recently of the healtheier outlook for spot crude prices and also increased takeover speculation, Oils gave ground at the outset, but subsequently staged a rally with the momentum gathering late. American buyers reappeared after-hours and the leaders finished narrowly mixed. Shell were finally a couple of pence cheaper at 638p, after 633p, and British Petroleum 5 off at 485p, after 483p. Ultramar remained a firm market and rose 6 to 248p, but LASMO slipped 3 to 305p and British shed a like amount to 237p. Much of the steam went out of the Carless Capel/Premier Consolidated bid simuation. Premier hovered around the overnight level of 72p while currently values Premier at 72.67p per share. Among Irish stocks, Eglington fell 10 to 93p reflecting the company's cautious stance on its Colombian drilling operations. Bryson shed 10 for a three-day fall of 58 to 330p. Elsewhere, Anstralian oil exploration group Santes firmed 6 fo 432p following the latest Cooper Basin drilling report.

South African industrials provided an isolated dult spot in Beneficiaries recently of the

South African industrials provided an isolated dull spot in Messins, 25 down at 170p.

Golds quietly firm

a firm note reflecting bullion's impressive overnight performance on Wall Street. London proved less enthusiastic, however, and with dealers again expressing disappointment over the paucity of follow-through demand, the share prices drifted off from best levels.

The lack of a decided trand

off from best levels.

The lack of a decided trend from the Cape and sporadic profit-taking from Swiss operators combined to further inhibit buying interest and, although a minor rise developed behind late U.S. support, gains were usually restricted to around a point. The FT Gold Mines index posted a gain of 8.2 at 578.4.

at 578.4.

London bullion opened a couple of dollars below the U.S. close but was still firmly estab-

8.50

EUROPEAN OPTIONS EXCHANGE

Dec.

Sept. 5. 40.55. 520. 46.57. 9.27.

C=Oali

TOTAL VOLUME IN CONTRACTS: 20,426

B≐Bld

Vol. | Lest

important \$850 per ounce level and closed \$6.75 up on balance at \$352.25 per ounce.

buyers and hardened a couple of pence to 242p.

De Beers remained friendless in the wake of Tuesday's interim dividend standstill and closed 3 off at 424p for a three-day decline of 29.

as investors took heed of Wall Street's overnight reaction. London operators were reluctant to commit funds and prices consequently closed at the day's lowest CRA fell 10 to 365p, with sentiment further unsettled by poor interim figures from Bougainville, 3 off at 114p. Western Mining, 233p, and Peko-Wallsend, 328p, gave up 4 apiece.

apiece.
Initially firm behind U.S. and
Hong Kong builtion prices, golds
lacked support and closed a few
pence easier on balance. North
Broken Hill gave up 6 at 145p
and EZ Industries 8 at 406p.
North Kalgurii remained at 43p
despite the impressive profits

for 296 calls and 415 puts. Jaguar continued to vindicate fits early introduction to option trading, attracting 310 calls with attention switching to the September 180's which accounted for 190 trades, and 128 puts.

NEW HIGHS AND

NEW HIGHS (42) RANKS (1)

LEISURE (1) MOTORS (1)

BRITISH FUNDS (1) Exch 12½pc 1990 BUILDINGS (1)

Techniques, a similar amount down at 235p.

Among Motor Components,

Among leading heavyweights, Kloof rose 11 to £35 and similar rises were noted in Vaal Reefs, £817, President Brand, £297, and

London Financials were quietly irregular in the absence of any real lead from base-metal markets. RTZ dipped 6 more to 547p, but Charter attracted small

of 29.
Relatively buoyant earlier in the week following satisfaction with domestic budget proposals, leading Australian base-metal stocks encountered steady selling as investors took heed of Wall

North Kalgurli remained at 43p despite the impressive profits recovery and a near-50 per cent increase in gold production.

Ennex rose 4 to 34p following Press comment highlighting its Northern Irish gold prospect.

Demand for Traded Options held up well despite the uninspiring performance of the underlying securities. Total contracts struck amounted to 3.144 comprising 1,858 calls and 1,286 puts. The FTSE 100 accounted for 296 calls and 415 puts. Jaguar continued to vindicate its early

LOWS FOR 1984

Ransom (William) STORES (1) Lincroft Kilgger ELECTRCALS (1)

NEW LOWS (12)

EQUITIES

,	Prices		<u>9</u> 19	64	j Stock	Closing	+ or	Net Div.	Times	言	ند
l e	16	Amou paid u	High	Low				Z0	Ēģ	ðÿ.	
	110	F.P. 31/ F.P. 31/ F.P. 7/	8 88	82	Alphameric Sp Amari Berkeley Grp.	: 97		bg4.8	5,2 2,6	7.9	7
I,	\$75 \$621 ₂ \$88	iF.P. 7/1 F.P. 15/1	89 86 89 92	81 65 73	本Bivo Arrow	82 80		bg1.2 u1.0 be1.0	5.2 5.8	1.7 1.8	10 16 16
e - e	\$135 \$ #	F.P. 234 F.P. 34 F.P	180 £35%	137 2351 ₂	*Compact Hdgs. Sp. *DDT Group Sp. Derwent ValleyHgs.£1	176 2854		U1.0	5.9	0.8	
,	58 	F.P. 31/6 F.P. 31/6	50 100 3 38	48 86 31	Enterprise Oil	48 90	— &	b2,25	2.1	6.7	, 6 - 1
e	160 ##	iF.P. 246 F.P. — IF.P. —	220 140 £14	185 135	Great Western Res. 11. Hind. Scot. Energy £1 Jinv. AB Beijer 'A'SK.50	210 135	+ 15	=	= :	= !	! :
e 1	4 4	F.P. 28/9	48 283	170 28 242	Jaguar MurrayVenturesWrrts PWS Intni, 10p	171 28 280		67,75 9,0	2.8	6.5 4.6	7
£	152 4580	F.P. 22/6 F.P. 16/6 F.P. 10/6	132	127 378	Pacific Sales 10p Sarasota Tech'ey 10p PTDS Circuita 3p PTinsley (Eliza) 5p	128 395	-2	g1.9	4.1 3.6	2.1 1.8	18

RECENT ISSUES

FIXED INTEREST STOCKS

issue price £	mount ald up	atest enuno. date	19		Stock	Closing price &	 + °
ł	: ₹ <u>△</u>	⊒ <u>aĕ</u> 	High	Low			ļ_
100	220	-1	331a	50 TB	Amer. Brands 1212% Un. Ln. 2009	3212	-14
474	i F.P.	126/18	98pi	92g	Cambridge Water 135 Red. Dcb. 2004 Derwant Valley 10% Cum. Red. Pref.	98c	í
99,161		122/11	30 c	294	Intl. Bk. for Recon. & Dev. 11/2 Ln. 2065 Marley 11 1/2 Deb. 2003	281	-16
} "	F.P.	1 - 1	1007a 100	997 ₈	Nationwide 1314% 5/8/95	1007) 100	ļ
92,689	£30	24,10	345ai	27	New Zealand 111:2 2014	334	
5100 II	F.P.	10/9	96	95	Portsmouth Water 13% Red. Deb. 1994 TR Energy 8% Cov. Uns. Ln. 197-2001	96	<u>ا</u>
1100	∤ NIF	97.0	անեա	SOppm	Trans-Natal Coal 12.7% Uns. Cnv. Dob	20 ppr	<u> </u>

"RIGHTS" OFFERS

								_
	lasue price	nount aid up	Latest Renunc.	198	4	. Stock	Olasing prica	+ 01
	,,,,,,,	¥.		Hìgh	Low		3-	!
	1133	Nal	20/9	4pm	34 DFT	Applied Botanics Units	Z1: pm	
	A\$3.7	Rti	21/9	80pm	45pm	ANZ AS1		— 3
١.	11	F.P.	2318	124	11	Bluemel Bros	11	
		F.P.	14/9	100	88	Falcon Res. 20p		l — <u>3</u>
	235 ·	F.P.	28/9	292	237			+5
1	110	NII) — ;	53pm		Find. Scotland Energy £1	30pm	
	4	NII	14/8	16 bw.	_ դրբո	LOFS Pfd. Ord. 1p	† Ωπ	
1	200 `	NII	7/11	290pm	257 pm.	NatWest Bank £1	270pm	-5
	90-1	Nil	26/9		16pr.	Vorton Opex 10p.,	20 ps	-1
	884	A\$8		293pm	155bu	lantos A0,20c	292pn	
Į	370	F.P.		443		Thorn EMI		-2
1	198	NII	12/10	72 pn		I Initech 10p		
- 1	274	E 8	7.0	445	420	! Varidington (J)	445	

Renunciation data usually last day for dealing tree of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or psychio on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. d Forecast dividend cover based on prospectus or other capitals. C Consellan, F Dividend and yield based on prospectus or other capitals. C Consellan, yield. If Forecast dividend cover based on previous year's earnings. C Casadians. F Dividend and yield based on prespectus or other official estimator for 1984, H Dividend and yield based on prespectus or other official estimates for 1993-84. Q Gross. P Pance unless otherwise Indicated. I issued by tendor. F Officers holders of ordinary sheries as " "rights." " Issued by way of capitalisation. §§ Reintroduced. It issued in connection with reorganisation margar or take-over. M Allormant tetraes (or tulty-paid). [§ Introduction. § Unitsed Securities Market. § Placing price. † Units comprising 8 Ord. 21 sem 12 per cent Cnv.Uns.in. 95/2000.

ACTIVE STOCKS

Above average activity was noted in Closing Day's

Cadbury Schwappes . Dale Elect. GKN Shell Transport Standard Chartered... Tate and Lyle

WEDNESDAY'S

ACTIVE STOCKS Based on bargains recorded in Stock +20 + 7 +17 Pritchard Sere.
BP
NatWest Bankt
Legal and Gen.
BTR
Powell Duffryn
Beecham
Brengreen
Std. Chartered
Brooke Bond...
Barclays Bank
Chubb
Shell Transpt.

Last Last For Deal Declara Settleings ings tion ment Aug 20 Aug 31 Nov 22 Dec 3 Sept 10 Sept 21 Dec 6 Dec 17 Sept 24 Oct 5 Dec 20 Dec 31 For rate indications see end of Share Information Service.

OPTIONS

First

Call options were taken out in Brengreen, Tale and Lyle, Eginton Oil and Gas, Jaguar, Riley Lelsure. Berkeley and Hay Hill, I. & J. Blyman, Brunswick, A.M., Hawley, Premier Oil, Atlantic Resources, Rowntree Machinetch Lebn Brann Price. Mackintosh, John Brown, Pritchard Services, Burmah, House of Fraser, Tusker Resources, and Firth Brown, Waterford Glass, Turner and Newall, Hutchison Whampoa, Distillers and Mid-East Minerals. No puts or doubles were reported.

RISES AND FALLS

YESTERD/	1Y		
		Falls	San
British Funds Corpns. Dom. and	1	92	7
Foreign Bonds	1	30	4
Industrials	143	334	93 3
Financial and Prop.	70	115	
Oils	33	27	ŧ
Plantations	3	3	1
Mines	58	27	9
Others	45	62	13

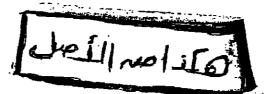
пень	i ranspt.	3	O-fr	TIZ			
	11	Nil paid.			Totals	 354	690
=				_		 	
DO	N TR	ADE	D C	PTI	ONS		

6	1			LO	NDC	M.	TRA	DED OI	PTIC	DNS	;				
-			ALLS		. F	STU	_				CALL	LS		PUT	S
2	Option	Oct	Jan.	Apr.	Oct.	Jan.	Apr.	Optio	ก	Aug.	Nov.	Feb.	Aug.	Nov.	Feb
	B.P. 36 (*486) 45 46 50	0 72 0 37 0 13	110 80 47 22	115 87 52 35	4 5 17 37	6 10 25 47	7 14 38 56	LASMO (*306)	260 260 300 330	47 27 10 3	63 48 34 20	70 55 42 28	01 ₂ 1 5 28	10 14 22 35	15 23 29 45
	Cons Gold 46 (*517) 56	0 68	9 80 48 38	- 88 60 38	80 20 45	15 26 52	18 36 60	Lonrho (*147)	120 130 140 160	29 18 9	31 22 15 6	33 26 18 8	014 014 14	11 ₂ 2 6 16	2 51 8 18
	Gourtaulds 11	0 2	18 8	<u> </u>	140 140	142 4	=	P. & O. (*511)	260 280 300 330	53 53 13 2	59 29 21 10	45 28 16	2 2 1 20	2 5 10 25	7 14 28
	(*190) 19 12 14 16	0 2	12 7 5 21 ₂	24	18 21 41	8 14 22 41	15	Racel (*226)	180 200 220 240 260	48 28 9 11 ₂	- 38 22 11	44 30 18 8	1 3 16	- 4 9 20 36	6 12 24 38
	Com. Union 16 (*185) 16 20 22	0 154 0 93 0 4	14	27 18 12 12	3 7 20 39 58	111 85 43	18 29 47	R.Y.Z. (*549)	500 550 600 650	47 10 2 11 ₂	60 28 16 7	70 40 25 14	112 12 60 110	9 32 70 117	20 40 74 120
	G.E.C. 16 (*204) 18 20 22	0 28	62 34 20 10	56 40 29 17	2 5 7 20	5 6 12 24	9 15 28	Vazi Roefs (*\$107)	100 110 110 120	18 8 112 1	23 16 91 ₂ 6	2513 1819 1219 712	1 4	21 ₂ 5 81 ₂ 151 ₂	31 61 111 18
H	Grand Met. 37 (*294) 28	o } —	- 52	38	1 5	10	14	[<u>`</u>	CALLS			PUTS	
Ħ	30 33 86	Õ l 4	16 9 3	84 14	20 44 73	25 46 74	30 50	Option		Sep.	Dec.	Mar.	استدا	Dec.	Mar.
H	I.C.I. 50 (*608) 58	0 108	112 64 38	116 78	2 6 18	11 11 26	1 6	Beecham (*514)	300 350 360	43 20 4	50 31 14	55 40 20	11 35	7 18 42	25 47
	Land Sec. 24	0 4	16	44	52	60	56	(*391)	330 360 390	58 30 10	65 40 18	72 47 25	1 6 16	4 11 25	6 14 28
	(*285) 26 26 30 Marks & Sp.† 10	0 30 0 15 0 6	37 23 11	30 16	10 22	6 14 27	17 50	De Beers (*55,70)	500 560 600 650 700	67 30 15 8	90 50 53 82 10	115 75 42 27		13 32 70 105 160	23 50 80 115
	(*110) 11 18 13 14	0 8 0 4 0 31 ₂	12 51 ₂ 4	16	5 15 22 32	9 16 24	11 19 -	Guest Keen (*170)	140 180 180 200	34 14 4 2	36 17 9	41 22 13	2 5 13 30	8 17 34	5 11 19
	Shell Trans. 50 (*658) 65 60	0 95 0 50	150 100 60 27	155 107 67 53	5 14 40 77	5 10 22 45	8 14 22 55	Hanson (*219)	187 200 220 240	37 25 10 21g	29 13 5	35 17	3 4 10 25	9 15 30	12 19
			ALLS	l 		B3		Jaguar (*170)	160 190 200	15 312 1	91 9 4	28 14 7	1.5 30	16 51	6 19 82
	Option	- Aug.	Nov.	Feb.	Aug.	Nov.	Feb.	Tesco (*180)	140 160 180	41 22	46 27 10	50 31 15	11g 21g	5	7
	Barolays 42 (*457) 46 50 65	0 40 0 6 0 1	52 25 11 4	67 36 18	2 8 47 97	6 23 47 97	10 80 68	FT-3E Index (*1081)	975 1000 1025 1050 1075 1100	6 108 83 57 42 24 16	110 88 70 57 40 30	120 105 85 70 45 40	2 5 10 29 28 45	7 13 25 37 48 65	17 27 35 47 60 77
	imperiat Gp. 13 (*155) 14 16 19) 16	18 7 5	81 9 6	1 1 6 26	4 12 29	6 15 31	Aug. 23, Tot	1185 1150 al Con Uno	g tracts lertying	20 10 3,144, 3 990ui	Cails	60 80 1,858. 66.	90 Puts 1	

These Indices are the joint compilation of the Financial Times.

FT-ACTUARIES SHARE INDICES

	EQUITY & SUB-S				Thur	Aug 2	23 198	4	Wed Aug 22	Ties Agg 21	Moa Ang 20	Fri Amp 17	Year ago Capprox
Fig	pures in parenthe stocks po	ses show	- Bumber	of Index	Dan's Chang	Est. Earning Yield'% e (Max.)	Grass Dis. Yield% (ACT at 30%)	Est. P/E Rasio (Net)	judex \$10.	kotex No.	Index No.	index No.	index No.
1	CAPITAL COOL	IS (204)						12.34	505.80	504.06	502.21		467.84
2	Building Materia Contracting, Con	ils (23)	(30)	456.8 679.9				8.78 8.86	462.36 686.23	459.80 681.96	457.23	456.91 674.10	453.84 726.84
4	Electricals (14)			1582				12.21	1599.92	1591.32	1557.12	1561.05	1720.00
5	Electropics (31)			1775.				1534	1801.51	2792.60	1796.24		202.31
6	Mechanical Engi Metals and Meta							20.49	249.23 184.72	248.85 185.14	247.86 185.13		
5	Mctors (18)			119.1	2 -28	10.50	5.54	_	121.53	120.71	120.35	121.48	117.97
10	Other Industrial							17.85	682.64 515.47	685.49 514.08	676.80 518.57	676.87 514.39	542.04 436.95
21 22	CONSUMER GR Brewers and Dist							954	517.14	517.80		513.62	
25	Food Manufactur			391.4	9 +0.1	14.34	5.59	8.63	398.95	397LB5	390.35	393.95	336.5
	Food Retailing C	12)	A	1192.9			2.69		1201.43 882.65	11%.17 MA.32	1184.95		
27 29	Health and House Leisure (23)		Obets (9).	675.5 572.1			2.77 5.33	21.62	576.31	576.85	862.36 576.53	867.84 582.61	
	Kewspapers, Put		13)				4.26		1291.21	1272.46		1308.62	953,11
22	Declaring and P.	oner (75)	1	243.5			5.66	8.00	246.98	245.41		245.64	189.9
34 35	Stores (46) Textiles (19)	***********		_ 433.6 _ 266.3			4.12 5.02	13.61	436.50 268.87	434.62 267.91	432.36 264.52		397.62 215.64
95 !	Tobaccos (3)		-	692.6			534	6.79	686.07	692.91	688.74	698.42	420.69
39	Other Consumer OTHER GROUP	(8)		464.7			4.67		468.51	467,58	468.22	468.11 452.52	418.49 398.61
42	OTHER GROUP	5 (86)		456.8 605.4			4.69 5.21	11.69 8.75	459.12 608.11	454.51 597.91	451.11 594.82	597.72	531.8
aa I	Chemicals (17) Office Equipment	(A)		137.9			5.56	13.68	149.84	140,66	135.08	135.29	114.22
65	Shipping and Tra	nsport (1	3)	858.5			7.89	25.14	863.06	363.10	860.60	259.77	718.74
46	Miscellaneous (5	<u> </u>		_ 635.4			3.67	11.67	637.95 509.39	632.94 587.27	628.99 504.26	630.13 506.21	538.67 443.75
	NOUSTRIAL O					13.67	6.45	8.95		1053.15		1846.96	1033.01
	Oils (17)					11.18	4.65	11.11	557.49	552.99	548.76	551,49	493.23
	Financial er					+=	5.80	_	386.81	387.13	384.89	381.85	337.39
12	Banks (6)			361.2		23.79	8.69	524	363.90	365.14	363.83		351.28 295.48
63	Discount Houses	(é)		428.1 534.1		1	7.15 5.81	I. — I	427.81 539.15	426.23 546.53	434.31 539.37	436.20 534.67	457.24
55	insurance (Life) i	(9) oske) (8))				455	=	252.01	282.37	276.95		235.00
57	lesurance (Comp Insurance (Broke	rs) (6)		848.3	5 0.7	8.76	3.98	16.89	854.43	844.10	827.09	825,26	554.44
58 II	Merchant Backs	(12)		202.1		5.52	5.97 3.64	24.48	283.76 589.98	202.82 586.59	203,42 586,68	203.99 586.66	284.96 459.60
59 70	Property (53) Other Financial C	19)				1131	5.62	10.66	246.67	246.48	249.91	250.46	241.63
'n	investment Trust	s (104)		509.9			3.78		23775	507.66	508.10	587.91	448,82
肛儿	Mining Finance (4	4}		272.2 560.8		10.32	5.51 6.91	12.43 12.69	273.70 567.96	27547 561.51	279.15 568.17	280.99 560.42	325,87 495,85
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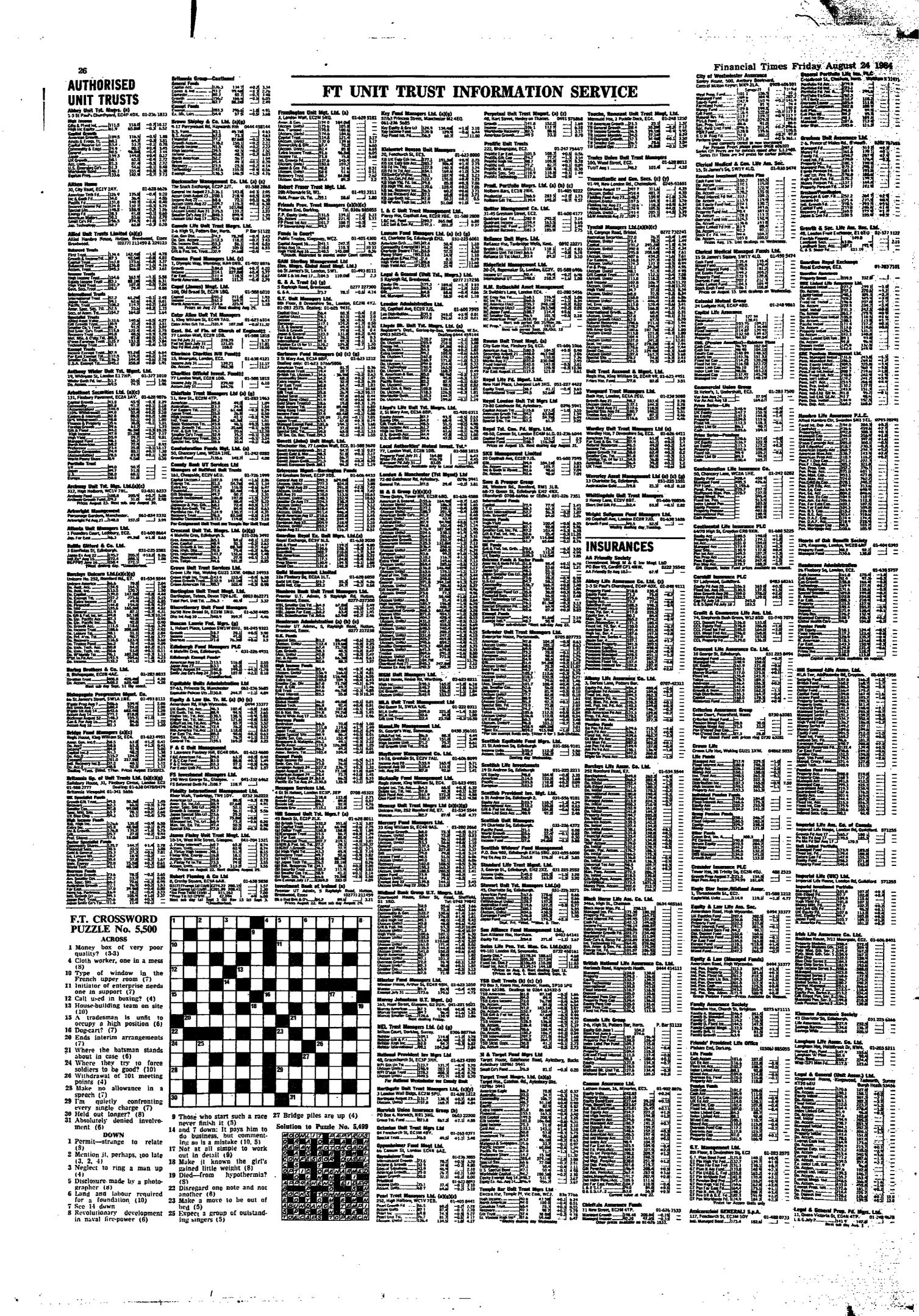
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New gas oil futures contract approved

By John Edwards, Commodities Editor

MEMBERS of the International Petroleum Exchange have agreed in principle to introducing a new London gas oil futures contract, using an FOB (free on board) delivery procedure, to replace the existing contract which is based on in-tank delivery against a

Full details of the new contract are yet to be finalised, so no official starting date has been announced. However, it has been decided not to introduce any new delivery months on the existing contracts, which at present trades up until April

next year.

This will leave the way clear for May 1985 to be the first delivery position for the new FOB contract, which would start trading sometime later

There are two main reasons for the contract change. One is that it is felt an FOB delivery system, which is already used by the New York Mercantile Exchange, would bring futures closer into line with the physical market.

The second is to deal with the quality control problem the Exchange suffered last November. It has been found that a system using warrants (with a life of several months) is not suitable for an unstable material like gas oil whose quality can vary within a matter of weeks.

Meanwhile 2as oil futures eased yesterday reversing the steady climb so far this week. The September position closed \$2 down at \$237.125 a tonne, still \$10 above last Friday's

Traders said prices came under pressure from an easier are members of the Inter-trend in the physical market, national Tin Council had been

Aug. 23 + or Month

£1100 \$1180.1210

LONDON OIL

SPOT PRICES

The market began the day stronger supported by good buying interest on the physical market but quickly met selling from both trade and commission houses. Prices railied briefly before the break, but quickly fell again on the re-opening and continued to weaken in good volume to reach the lows just before the end of the day, reports Premier Man.

Turnover: 3,179 (1,801) lots of 10 tones.

GOLD MARKETS

Change + or —

Gold Buillon (fine ounce)

Gold and Platinum Coins Aug. 23

(£3764, 27714)King Sov \$8312 86 (£654, 6444)
(£1429-14314) Victoria Bov \$8312 86 (£634, 6444)
(£7254, 7314) [French 305 86714 69 (£514, 6524)
(£2974, 3014) 50 Pasos Mox#456-488 (£322 33312)
(£2761-277) 100 Cor-Aust \$240-845 (£263 23312)
(£633 6314) [\$20 Eagles \$610 520 (£3812) \$26514, [\$20 Eagles \$610 520 (£3812) \$36154 (£368-271)

sellers.
Soyamesi—(U.S. \$ per tonne), 44
per cent: Aflost 174, Oct 181, Oct/Dec
182, Nov/March 185, sellers. Pellets.
Brazil: Aflost 175, Aug 175, Sept 178,
Oct 187, Oct/Dec 193, sellers. Brazil:
Aflost 168, Aug 173, Sept 173, Oct
179, sellers. Pellets: Argentine: Aflost
168, Aug 168, Sept 171, Oct 179, Oct/
Dec 184, sellers.
PARIS, Aug 23.

\$352 3521₂ (£268-2681₂) \$352 3521₂ (£2681₄ 2683₄) \$351.76 (£268.041) \$361,25 (£267.762)

EUROPEAN MARKETS

ROTTERDAM, August 23.
Wheat—(U.S.S per tonne). U.S. No. 2
Soft Red Winter: Sept 154, Oct 157.25,
Nov 180. Dec 162.50. U.S. No. 2
Northern Spring, 14 per cent protein:
Aug 183.50. Sept 172. Oct 173, Nov
176, Dec 180. U.S. Northern Spring,
15 per cent protein: Sept 179, Oct 179,
Nov 182. Dec 188. U.S. No. 3 Hard
Amber Durum: Aug 190. Sept 189, Oct
192, Nov 195.50, mid-Nov/mid-Dec 200,
April/May 206. Cenadian No. 1 Western

Milk output in July down 14% on year

MILK PRODUCTION

Marketing Board said yesterday.

The scale of the drop has creameries has had to close, The scale of the drop has provoked serious concern nong board managers, who fear that the combined effects of drought and over-reaction to EEC production curbs could result in the UK falling short of its allotted output quota this

Yesterday's figures show that production in England and Wales between April—when the EEC limits were imposed and July was almost 3 per cent below quota. It is believed that output may have fallen still further in the first part of this

The picture is similar in Scotland, where production in July was 13 per cent down on July 1983. With liquid milk consump-

tion remaining virtually unchanged from last year,

in milk destined for manufacture England and Wales fell almost fell by more than 25 per cent 14 per cent in July from the in July. Most of that fall was

older plant in many of them has been mothballed to reflect the reduced flow of milk. Dairy Crest, the board's commercial arm, is seeking more than 400 voluntary redundancies among creamery staff.

The worty of MMB managers is that production may not recover sufficiently during the autumn and winter months to bring the UK to its full quota. This would mean a greaterthan-expected reduction in dairy farmers' incomes and a further increase in unit costs for the board.

The executives also fear that if the UK is not up to quota by the time of the next EEC pricefixing in early 1985, Britain could suffer a further cutback in production.
Under the quota scheme

creameries are suffering a agreed by EEC ministers last severe reduction in supplies. March, the UK must cut pro-The English and Welsh Board duction by 61 per cent overall reported that production of from its level last year.

Tin plea to Brazil

BY WONG SULONG IN KUALA LUMPUR

seven-nation Association of Tin Producing Countries, (AIPC) will visit Brazil in October to appeal to the country to slow down its tin production. A senior Malaysian primary industries official said Brazil's the output, which rose from 8,000 tomes in 1981 to an estimated 18,000 tomes this

year, was a major factor depressing tin prices. He said tin producers who are members of the Inter-

Aug. 25 + or Month 1964 - ago

+15 8550

ut (Phil) £975u :+55 \$1425

‡ Unquoted. w Oct. z Sept. v-Sept-Oct. u Aug-Sept. v Oct-Nov. † Per 75 lb flask. * Ghana cocoa. a Nominal. c Cents per pound.

PRODUCTS—North West Europe (\$ per tonne)

Yest'day's -- or Busines th close - Done

254.50 -0.25 [27.56.36.50]
274.50 -0.25 [27.56.36.50]
287.25 -8.00 [241.25.56.75]
241.25 -1.75 [245.00.45]
244.50 -2.00 [242.25.44.06]
248.00 -1.76 [251.75.47.25]
248.00 -1.76 [251.75.47.25]
248.75 -1.25 [250.48.00]
242.50 -5.00 [49.58.46.00]
1.26 [249.58.46.00]
1.27 [249.58.46.00]

GAS OIL FUTURES

MINING MINISTERS from the restricting their exports by nearly 40 per cent for the past two years, and had been making financial contributions to the ITC's buffer stock fund to prevent a price collapse.

> "We recognise Brazil has to export aggressively to earn foreign exchange. But we hope it can find other ways of doing it because ITC producers are already sacrificing quite a lot for the tin industry's" the Malaysian official said. Brazil is not an ITC member

Sharp rise in world sugar values

WORLD SUGAR values moved up sharply yesterday with the London daily raws price being fixed \$7.50 up at \$117.50 a toune and the December posi-tion on the London futures market gaining \$2.80 to \$130.50 a tonne

The rise was attributed to a strong tone in New York overnight, stronger sterling against the dollar and firmer precious metals values.

Dealers also noted that some observers thought the market was overdue for a technical rally following the recent fall to 13-year lows.

● COCOA PRICES continued to be dominated by the tight nearby physical supply situation yesterday. The prompt Septem-ber position on the London autures market reached £1,975 a tonne at one point before closing £21.50 up on the day at £1.950 a tonne. The December quotation ended £17.50 up at £1,761 a tonne **→** UNCERTAINTY about farm

ing prospects has brought a change in farmers' attitudes to land purchases, according to the latest issue of Farmland Market. Agricultural land values will be more closely allied to pro-juctivity for the next five years, the magazine predicts, Between January and July this year the average price of an acre of UK farm land rose by only 2 per cent to £2,245, it says.

It attributes this slower rate of increase to represent to represent to represent to the same rate.

of increase to uncertainty following the imposition of milk production quotas and the threat of similar action in the cereals sector.

• KAISER ALUMINIUM will shut two aluminium potlines at its Mead, Washington, reduction plant on September 9.

The company attributed the cutback to "the continued deterioration of primary aluminium prices and resulting unstable market conditions."

Why New Zealand lamb is 'bootiful'

THE recent decision by the Once the guide price reached can hold his lambs until they Bernard Matthews group to import boneless cuts of New stal until October, market them as stores for further fat-Zealand lamb to sell under its prices rose again as the tening to other farmers proportionally label could have a contract the second by the characters are contracted by the characters are contracte siderable impact on UK lamb marketing in the long term.

Of particular interest is Mr Matthews' remark that New Zealand supplies were chosen because regular supplies at fixed prices could not be guaranteed from British sources.

The irregularity is inherent in the British production and largely conditioned by the marketing systems. These are weather, which determines the rate at which lambs become ready for the butcher.

This year, for example, far more lambs were sold in May and Jume than is usual, and this was largely because the weather was favourable for maturing sheep. Another factor, however, was changes in the EEC's sheep-meat pricing under which the guaranteed price falls away sharply during June.

The resulting flood of lambs on the market forced down the price, although the premium or deficiency payment compen-sated for this.

own label could have a con- number of lambs brought to market fell.

The variations over a few weeks amounted to 30 or 40p a kilo. No processor could contemplate such eccentricities in

the cost of supplies.
In New Zealand, the Meat Board controls all lamb market-

with its graduated payments over the year.

There is an advantage, too, in British lambs being sold fresh, rather than frozen. Zealand is now exporting a small quantity of chilled lamb however. If this trade expands

Farmer's viewpoint: by John Cherrington

ing, imposes grading standards, particularly on carcas weight. and is in charge of all sales and shipments.

The result is a uniform pro duct, which can be held in cold store almost indefinitely. New Zealand lamb does not always satisfy the taste expec-tations of consumers. However, this has something to do with the actual freezing process which will probably be altered soon by centralised control. The New Zealand farmer has no alternative but to aim at the

export bottleneck. His British counterpart, on the other hand. can ring the changes in a variety of ways.

it could cause competition problems for British sheepmeat.)
What the Matthews system could do is reverse the decline in British sheepmeat consump-tion. The downward trend tion. The downward trend partly results from the high price of lamb compared with

Once the hind legs are removed from a carcass the remainder presents an awkward problem. Carving a shoulder is a skilled operation. The chops and loin, especially on a small lamb, are hardly worth perse-vering with, and there is a great deal of ways. deal of waste in the brisket, the life has a lot of keep, he neck and the flanks.

pork and poultry meat, but is

also caused by the meat's in-

be processed when fresh in New Zealand abattoirs. A min of further cutting will be needed to rurn it into a convenience form to be picked out of British supermarket freezers by housewives looking for a meal which is easy to prepare. It could be argued that the

The sense of the Maithean proposition is that the Mew Zealand lamb it imports should

products will not be recognisable as lamb. True enough; but then Matthews's turkey roasts do not look much like turkey and the increasingly popular hamburger little resembles its alleged parent the beef animal.

The project has the advan-tage that New Zealand lamb, the basic raw material, is being sold at about a third the price of British lamb og the farm. In spite of the very high costs of New Zerand labour in abou-toirs and of shipping it could still be very competitive. Could British lamb compete:

The main argument of the trade is that the costs of boning out Britsh lamb carcases in terms of labour and waste would make the re sulting ment too dear to be viable. That is probably why Mr Matthews chose New Zeo-land for his supplies.

French ban on UK imports likely to remain

THE FRENCH ban on British lamb imports looks set to con-tinue following the breakdown of talks in Paris between veterinary officias from both countries agricuture ministries. UK officials had hoped they could persuade their counterparts to withdraw the restric-tions on meat bearing traces of the pesticide Lindane. But the French insisted that

their new maximum celling of one part per million (ppm) could not be raised to accom-modate British produce showing up to 7.2 ppm.

The rigidity of the French

position has now convinced the UK that the only hope for a return to normal sales rests with the European Commission outlawing the ban as a restraint on free trade.

Few doubt that Paris's decision to introduce the restrictions is intended to bolster national producers who are suffering a 9 per cent fall in prices on last year together with a marked increase in British im-

It has also been noted that France introduced the controls just a day after sheep dipping in the controversial product had

Experts say it may be anything from eight to 12 weeks before the levels of Lindane found in British sheepmeat fall

NEW YORK

Close 148,81 146,36 143,46 141,38 139,25 138,13 136,88

25,007 lb, centre 60,90 61.05 61.05 61.25 61.25 62.65 62.65 62.05 62.05 62.05 62.05 62.05 63.0

GOLD 100 troy oz, \$/troy oz

Close 349.8 350.6 353.8 360,4 367.4 374.4 381.9 389.5 496.6 413.9 422.3 431.0

Glose High 342.6 340.5 340.5 344.8 347.5 342.5 354.8 357.5 353.1 354.3 357.0 367.0 374.2 376.0 373.0 384.4 385.0 385.0

1,0w 768.5 768.5 764.0 777.0 790.0 800.0 827.5 835.0 848.0

Close High 780.2 778.0 782.0 784.0 784.2 806.5 781.6 806.5 781.6 805.0 807.2 825.0 823.1 841.5 839.6 877.0 884.8 887.0

Close Hie August 700.2 778. Sept 762.0 784. Oct 768.1 764. Oct 768.1 764. Oct 768.1 764. Oct 768.1 769.5 805. May 823.1 841. July 839.7 847. Dec 884.8 887. SUGAR WORLD "11" 112,000 lb. cents/lb.

High 48,85 48,40 43,50 40,99 39,69 37,90

been completed throughout the justification for its action to the British Isles. EEC by the middle of next week. Commission officials will then see whether the ban is in accordance with community

to the new limits

If the ban, which has so far prohibited further imports from nine British slaughter give adequate advance notice of British hopes that the ban

lambs sold for fattening may tumble.

This would particularly hit shipments have been allowed the poorer hill farmers, most in into the French market, the

PRICE CHANGES

Copra Phil ..

BRITISH COMMODITY PRICES

BASE METALS BASE-METAL prices generally gained ground on the London Metal Exchange, Firmer overnight in the U.S., Copper traded actively and boosted by firmer Comex, touched £1,053.5 before closing at £1,053. Mirroring Copper, Aluminium also made a bright start and advanced to £361; heavy celling developed at this level, however and the metal finished at £875.5. Forward Zine disped to £355, pnjy to recover Zinc dipped to £535, only to recover to £643, while Lead was steady at £564. Whickel firmed to £3,700, but Tin sased to £9,205. Barley Fut.Nov. £109.05 —0.65£109.10 Malza £163.00 —2147.76 Wheat Fut.Nov. £108.80 —0.50£110.85 No2 Hard Wint. ‡ ;

COPPER | ther | commodities | commodi CCPPER Official - Unofficial -1 H'g' Gmt £ £ £ 10-24-5 +9 1034.5-5.5 +18.5 3 months 1041.5-2.5-8.75 1051-5 +17.5 Settlem '1 1034.5 +7.75 1045-8 +30 Cathodes 1035-5 +7.75 1045-8 +30 3 months 1041-2 +5 1061-4 +75 Settlem't 1035 +8

Amelgemated Metal Trading reported that in the morning cash Higher Grade traded at £1,023.5, 24, three months £1,042.5, 42, 42.5, 41, 40.5, 41, 42, 41.5. Cathodes: Cash £1,036, three months £1,041. Kerb: Higher Grade: Three months £1,042, 42.5, Afternoon: Higher Grade: Three months £1,050, 49, 48, 49, 50, 49.5, 50, 49, 49.5, 49, 50, 51, 51.5, 51. Kerb: Higher Grade: Three months £1,052, 51.5, 52, 51.5, 52, 53, 53.5, 53. Turnover: 64,625 tonnes. U.S. Producers: 63-67 cents per pound.

TIN 2 £ £ 9250-60 -10 9255-65 :+19 ! 9250-60 -10 9235-45 +15 9225-85 -5 9265 +23 -5 High Grde

Tin—Morning: Standard: Cash £9,255, three months £9,205, 10. Kerb: Standard: Three months £9,213. Alternoon: Standard: Three months £9,215, 10, 05. High Grade: Three months £9,242, 40. Kerb: Standard: Three months £9,265. Turnover: 2,425 tonnes. LEAD

ZINC

ZINC Official — Unofficial —1

Cash...... 628-9 —5 627,6-8,5 -1,53
Settlem 1 629 —5 628.5-9 Zime—Morning: Cash £629, 29, 29, 28, 5, three months £642.5, 42, 42.5, 42, 41, 40, 39, 39.5. Kerb: Three months £639, 37, 36, 35, 36, 36.5, 37, 38, 36.5. Kerb: Three months £639, 40, 41, 40.5, 41, 42, 43, Turnover: 19,325 tonnes. U.S. Prime Weatern: 48,50-50,60 cents per paund. April/May 205. Canadian No. 1 Western Amber Durum: Sept 207, Oct 207, Nov 209, Nov/Dec 212.

Maizo—(U.S. 8 per tonne). U.S. No. 37ellow: Aug 155, Sept 148, Oct 139, Nov 137, Dec 137, Jan/March 40, sellers. Argentine, Plate: Afloat 158, Sept 160. Oct/Dec 170, April/June 153, 1575-1595.

ALUMINIUM

Aluminium — Morning: Cash 2855, three months 2877, 78, 78.5, 79. Kerb: Three months 2879.5, 79, 79.5. Afternoon: Three months 2881, 80.5, 80, 79, 76.5, 73, 78. Kerb: Three months 2878, 77, 78, 75.5, 78. Turnover: £878, 77, 76, 75.5, 76. 28,050 tonnes. NICKEL

NIGKEL a.m. + or p.m. + or Unoffical + or Unoffical

noon: Cash £3,605, 02, three months £3,710, 08, 07, 05. Kerb: Three months £3,705, 3,700. Turnover: 1,146 tonnes. SILVER

Silver was fixed 12.75p an ounce higher for spot delivery in the London bulhon market yesserday at 584.4p. U.S. cent equivalents of the fixing levels were: Spot 765c, up 15c; three-month 766.1c, up 14.3c; slx-month 808.0p 13.5c; and 12-month 856.9c, up 12.4c. The metal opened at 5831-5862-p (766-772c). Bullion H or LM.E. H or fixing price Unoffici

Spot 584,40p +12.7 587.50p +18.5 3 months 599,00p +12.7 603,25p +14.5 6 months 613,40p +12.8 — 12months 644,90p +12.7 LME (2,000 oz contract) — Cash S87.50p (574.00p); three months 503.25p (589.00p). Turnover 113 (97) lots of 10,000 ozs. Morning: Large 1st Ring three months 599, 2nd Ring three months 599, 99.5, 600. Kerb: Large: Three months 600. Afternoon: Large 1st Ring three months 601, 02. 2nd Ring three months 603. Kerb: Larga three months 602.

After an early limit up move on September, cocos futures performed strongly and despite profit-taking paring gains, closed £13.00-£20.00 up on the day, Light manufacturer offitake and good origin sales were recorded, reports Ctd and Duffus,

Sales: 6.592 (6.144) lots of 10 tonnes. ICCO indicator prices (U.S., cents per pound). Daily prices for August 23: 101.09 (99.96); five-day average for August 24: 98.54 (98.16).

Despits overnight weakness in New York the London market astablished another new high today, reports Drexel Bumham and Lambert. The days high of 2410 on November was established early in the afternoon on further commission house buying but for the remainder of the session values eased back on scattered profit-taking eventually finding suport from mixed trade and job buying on the close. COFFEE Yesterd'ys + or Business Close — Done

Sept 2590-5 +8.5 2394-60
Nov. 2598-87 +11.0 3410-72
January 2597-65 +7.0 2193-52
March 2179-75 +7.0 2193-52
May 2140-66 +15.0 2163-83
July 2110-66 +5.5 2111-11
Sept 2070-71 -5.5 2085-75

Sales: 3.857 (5.061) lots of 15 tonnes. ICO indicator prices (U.S. cents per pound) for August 22: Comp. deily 1979 144.30 (143.27); 15-day average 141.26 (140.87). **GRAINS**

Whest market reached 50p down on fears of dock strike and continued harvest pressure but slowly improved in shipper buying to agein close at the day's high. Wheat A market was thin at 50p down with barley recovery to unchanged after Initial losses of 25p, reports Muirpace. BARLEY

Yesterd'ys + or Yesterd's + or close -Sept. 105.40 —0.10 108.60 108.60 108.60 108.60 —0.53 109.05 —0.05 112.30 —0.05 Mar... 112.15 —0.15 112.30 —0.05 May... 118.05 —0.25 115.50 +0.29 119.05 —0.26 117.65 —0.29 119.05 —0.28 117.65 —0.29 119.05 —0.28 117.65 —0.29 119.05 —0.28 119 HGCA-Locational ex-farm spot prices. Feed wheat: S. East 101.80, S. Wast 100.10, W. Mids 100.30, N. East 101.10, Feed barley: S. East 101.00, N. East 101.10, Feed barley: S. East 100.20, S. West 100.20, W. Mids 101.10, N. East 98.80. The UK monetary coefficient for the week beginning Monday August 27 is expected to change to 1.000.
Business done-Wheat to Change to Business done-Wheat 100.20

August 27 is expected to change to 1.000.

Business done—Wheat: July 105.40-5.00, Sept 108.80-8.60, Nov 112.15-1.30, Jan 115.10-4.85, March 118.10-7.85, May 120.50-0.25. Sales: 423 lots of 100 tonnes. Barley: Sept 105.86-5.35, Nov 109.15-8.85, Jan 112.35-2.10, March 118.30-5.05, May 117.56-7.45, Sales: LONDON GRAINS—Wheat: U.S. dark northern spring No 1 15 per cent Sept/Oct 143.85, Nov 145.50, Dec 149.76, transhipment East Coast, English feed fob Oct/Dec 112, East Coast, Melzei U.S. No 3 Yellow/French Aug/Sept 183,

sellers transhipment East Coast. Barley: English feed fob spot 104.75, East Coast. Rest unquoted. **PIGMEAT**

In spite of a quiet pre-holiday physical trade, speculative buying pushed prices higher in limited volume. There appears to be good underlying support below the market as well as resistance just above current levels, reports CCST Commodities. Month p. per kilo (deadweight)

Peb..... April June Sales: 46 (83) lots of 50 carcases 3,250 kilos.

POTATOES

Yesterdy's Previous Business Month close close Done £ per tonne Nov...... | 72.50 | 71.30 | 76.09.72.50 | Feb | 80.50 | 79.30 | — Aprill... | 94.20 | 92.10 | 94.50.95, 10 | May | 101.50 | 98.80 | 191.5-191.6 | Nov... | 77.50 | 78.50 | 78.50 | Sales: 383 (200) lots of 40 tonnes.

RUBBER

PHYSICALS—The London market opened unchanged, attarcted little interest throughout the day and closed easier, reports Lewis and Peat. Closing prices (buyer) spot 61.00p (61.50p). Sept 73.00p (73.50p), Oct 74.00p (75.00p). The Kusle Lumpur Sept fob price for RSS No. 1 was 216.00 (212.50) cants a kg and tob SMR 20 was 206.50 (same). cants a kg and tob SMR 20 was 206.50 (same).
FUTURES—Closs (buyer, seller, business) RSS No. 1 £ per tonne: Sept 619. 620. 620: Oct unquoted: Nov unquoted: Dec unquoted: Nov unquoted: Dec unquoted: May unquoted: Oct/Poc 948 seller; Jan/March 675 buyer; April unquoted: May unquoted: Oct/Poc 948 seller; Jan/March 670, 675. 688-675; April/June 710 seller. Sales: 3 (2) lots of 15 tonnes. 8 (0) lots of 5 tonnes.

SOYABEAN MEAL

The market opened £2.50 up in active trading condition, reports T, G, Roddick, During the course of the afternoon the merket came under pressure from commission bouse selling, closing £1.50 up on the day.

Sales: 59 (38) lots of 100 tonnes, 180 (537) lots of 20 tonnes.

LONDON DAILY PRICE—Raw sugar £89.50 (\$117.50), up £5.00 (up \$7.50) a tonne for Aug-Sept-Oct delivery. White sugar \$185.50, up \$4.50. Sales: No. 6 5,868 (3,101) lots of 60 tonnes.

No. 5 Yest'day's Previous Business done \$ per tonne

Tate and Lyle delivery price for granulated bears sugar was £198.50 (£194.50) a tonne for export. International Sugar Agreements — (U.S. cents per pound tob and stowed Caribbean porta). Prices to August 22: Daily price — (3.82); 16-day average — (3.98).

Spot and shipment sales in Ever-pool amounted to 153 tonnes bringing the total for the week so lar to 313 tonnes. Spinners directed their etten-tion towards African and South American growths, for Autumn ship-

WOOL FUTURES SYDNEY GREASY WOOL—Close (in order: buyer, seller, business).

Australian cents per kg. Oct 563.0, 564.0, 563.0, 562.0; bec 565.0, 567.0, 567.565.0; bec 565.0, 567.0, 567.565.0; Mar 673.0, 577.0, 577.0-576.0; May 582.0, 584.0, 585.0-584.0; July 581.0, 592.0, 595.0-581.0; Oct 584.0, 585.0, nil: Dec 583.0, 580.0, nil: Mar 681.0, 592.0, nil; Sales: 95.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller.

LONDON NEW ZEALAND CROSS-BREDS.—Close (in order: buyer, seller, business). New Zealand cents per kg. Aug 450, 508, 508; Oct 480, 487, 488-484; Dec 490, 483, 492-488; Jan 491, 495, 495-490; March 503, 504, 504-498; May 507, 508, 508-503; Aug 520, 522, 522-519; Oct 520, 522, 522-519; Dec 525, 527, 525-524; Jan 525, 529, 530-525. Sales: 149.

-INDICES-

FINANCIAL TIMES Aug. 23 Aug. 21 M'th ago Yearago 292.94 289.93 291.29 291.58 REUTERS

Aug. 23 Aug. 22 M'th ago Yearago 1862.7 1847.2 _ Base: September 18 1931 - 1001 MOODY'S

Aug. 22 Aug 21 M'th ago Yearago

1009,7 1008,8 1025,8 1097,9 DOW JONES Spot 130,69 129,77 129,71 148,54 Fut 128,43 127,67 126,64 153,39

(Bast: December 31 1974 = 100)

MEAT/FISH

MEA1/FISH:

SMITHFIELD MEAT—Pence per pound. Beet: Scotch killed sides 76.0 to 82.0: English forequarters 52.0 to 55.0; Eire hindquarters 89.0 to 93.0. Veai: Dutch hinds and ends 132.0 to 137.0. Lamb: English small 64.0 to 69.0, medium 60.0 to 65.0, heevy 58.0 to 60.0; Scotch heavy 68.0 to 60.0; Imported: New Zealand PL 67.0 to 67.5, PX 60.0 to 60.8, YL 63.8 to 64.5, Porki. English under 100% 51.0 to 58.0, 100-120% 53.0 to 58.6, 120-160% 46.0 to 54.0.

MEAT COMMISSION—Average fattook prices at representative markets: 68—Cattle 97.18p per kg (w -0.90); GB—Sheep 136.50p per kg est dow (-10.90); GB—Pigs 82.80p per, kg lw (-3.25).

COVENT GARDEN—London prices for

stock prices at representative markets:

GB—Crittle 97.18p per kg lw (~0.30);

GB—Sheep 136.50p per kg est dow (~10.90);

GB—Sheep 136.50p per kg est dow (~10.90);

GB—Sheep 136.50p per kg lw (~0.30);

GB—Sheep 136.50p per kg lw (~0.30);

GB—Sheep 136.50p per kg lw (~0.30);

GB—Sheep 136.50p per kg lw (~0.32);

GB—Sheep 136.50p per kg lw (~0.

 INDIA will import 1.2m tonnes of edible oils in 1983-84 ending October, up from 1.15m last year, said Mr Sanjeevi Rao, deputy minister for food and civil supplies.

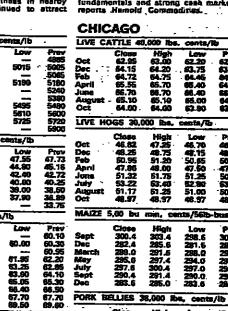
He told parliament domestic oil production in the year is estimated at 3.3m tonnes and demand at 4.5m tonnes, against 2.85m and 4.14m in the previous

houses, continues much longer, the new regulations.
there are fears that prices for However, there may also be

need of price support. danger to consumers cannot be France is due to submit serious enough to justify a ban.

AMERICAN MARKETS =

weakness to currencies late in the weakness to currencies late in the session. Copper concentrate was firm in response to reports of tightness in supplies. Aluminum found light support from short covering un response to the better tone to copper. Sugar traded in a festuraless -fashion to close modestly lower on reports of lavourable best development in Europe. Cocca was firm on good commission house buying in response to continued concerns over the tophtness in nearby



PORK BELLIES 38,000 fbs, cents/lb Close
August 56.47
Feb 64.82
March 63.37
May 64.20
July 65.80
August 63.50 High 58.55 65.10 63.85 64.66 85.92 63.20 SOYABEANS 5,00 bu min,

ORANGE JUICE 15,000 lb, cents/tb SOYABEAN MEAL 100 tons, \$/ton SOYABEAN OIL 80,000 ib, cents/ib SILVER 5,000 troy oz, cents/troy oz 769.0 771.0 771.0 778.1 793.0 800.4 816.0 831.9 848.5 856.4 893.6 WHEAT 5,000 by min, cents/60-lb bushel

per pound. Handy and Herman buillon 768.0 (751.0) cents per ounce. BP finds gold in Canada

retroleum groups the former consider interests of Selection interests of Selection interests of Selection

SIGNIFICANT near-surface gold has outlined a zone of gold mineralisation has been discovered near the old Chetwynd in length, Selco said. No calculations of average grades of coast of Newfoundland, according to Selco, part of the British Petroleum group.

and outlined a zone of gold mineralisation some 400 metres in length, Selco said. No calculations of average grades of tonnage are possible at present; as the drilling to date has been too widely spaced.

SPOT PRICES—Chicago Icose lard 28.50 (28.75) cents per pound. Nam York tis 551.0-560.0 (854.0-562.0) cents per pound. Handy and Herman silver

Selco, which groups the former Canadian interests of Selection Trust, recently became a whollyowned subsidiary of BP Canada Diamond drilling at the discovery, about 80 kilometres east of the town of Port any Basques,

Highgate & Job shares jump The share price of Highgate & recorded in Highgate is the 29.9 Job. Scottish animal oil refiner per cent owned by its chairman, and protein meal trader, rose 25p Mr Mark Watson-Mitchell, yesterday to 115p, following the through Peachfield. purchase of a 25.26 per cent stake by Ramsdell Trading Inc. The closing price values the company at £1,12m. Mr I. G. Barr, chief executive, ompany immediately launched Mr I G. Barr, chief executive, company immediately launched said he had no knowledge of the nature or intentions of Ramsdell. Mr I G. Barr, chief executive, company immediately launched an unsuccessful takeover bid for nature or intentions of Ramsdell. Mr I G. Barr, chief executive, company immediately launched an unsuccessful takeover bid for natural property of the property o

The only substantial holding distributor.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES .

Pound eases in nervous trading

compared with SwFr 3.1450. It was unchanged against the yen at Y316.0 but slid in terms of the French franc to FFr 11.5550 from

French franc to FFr 11.5550 from FFr 11.6078.
The dollar was weaker all round in rather subdued trading. There was little incentive in the absence of any fresh economic data to push the dollar france and a second Pedical firmed and a softer Federal funds rate prompted a weaker trend. There was also some reluctance to take out fresh posi-tions ahead of the release of U.S. money supply figures, due out after the close of business in

Sterling lost ground in currency markets yesterday in reaction to the prospect of a pational strike by UK dock workers. It finished slightly above the day's lows, however, possibly helped by an upturn in UK interest rates and better than expected UK trade figures. Its trade weighted index closed at 77.9, its lowest level for five weeks and down from Wednesday level of 78.1. At noon it stood at 77.8 after an opening level of 78.1. At noon it stood at 77.8 after an opening a rise of 30 points from Wednesday. It was down against the brank gainest the dollar at the Frank gained ground against the dollar at the Frank gained ground against the dollar at the Frank furt fixing. The Bundesbank sold from DM 3.7700 and SwFr 3.1325 form DM 2.8899, after opening at the Japanese yen it slipped to then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a preassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reassessment of the 2.3 per cent then dropped back, partly on a reas

EMS EUROPEAN CURRENCY UNIT RATES

+0.50 +0.06 -0.27 -0.14 -0.16 -0.15 -1.41 45.1251 8.14556 2.23569 6.86496 2.52183 0.72459 Beiglan Franc ...
Danish Krona ...
German D-Mark
French Franc ...
Dutch Guilder ...
Irish Punt
Italian Lira ±1.5447 ±1.8425 ±1.0642 ±1.4364 ±1.6839 ±4.1805 8.14104 2.24184 6.87456 2.52585 0.72589 1403,49

Changes are for E'v, therefore positive change denotes a week currency. Adjustment calculated by Financial Times,

per 100 yen from DM 1.1935, but the Swiss franc rose to DM 1.2007 from DM 1.1909. Within the EMS the guilder fell to DM 88.640 per 100 guilders from DM 88.67, while the French franc was un-changed at DM 32.555 per 100 francs, and the Belgian franc at DM 4.9540 per 100 francs. DM 4.9540 per 100 francs. JAPANESE YEN — Trading range against the dollar in 1984 is 246.90 to 233.10. July average 242.88. Trade-weighted index 155.4 against 154.3 six months

ago.

The yen improved against the dollar in moderate Tokyo trading. The U.S. currency fell to Y240.95 compared with Y242.35 previously. It opened at Y241.20 and traded within a range of Y240.90 to Y241.27. Selling Y240.90 to Y241.27. Selling orders from overseas banks were reported to be hehind the dollar's decline, with the latest figures on durable goods orders in the U.S. and the consumer price index unable to put a firm base under the currency. The D-Mark was slightly firmer in Tokyo, rising to Y84.01 from Y83.74.

f in New York (latest) | \$1,5140-5150| \$1,5145-5155 | 0,09-0,11 dis | 0,11-0,13 dis | 0,35-0,39 dis | 0,47-0,50 dis | 1,90-2,05 dis | 2,50-2,45 dis

THE POUND SPOT AND FORWARD p.a. Aug 23
lis -1.17 Ukf
lis -1.49 Ukf
lis -1.49 Ukf
lis -1.49 Ukf
lis -0.26 Nethind,
-0.78 Seigium
dis -2.10 Denmark
5.20 W. Ger.
l -17.97 Portugal
s -3.85 Spain
la -3.80 Italy
-0.54 Norway
-0.54 Norway
-0.54 Sweden
pm 2.57 Austria
3 5.83 Switz. p.s. months

-1.00 0.35-0.88dis
-1.34 0.35-0.88dis
-1.35 0.35-0.88dis
-1.59 4°r-0 pm
-0.47 psr-10 dis
-0.44 2r-3 dis
-2.18 0.35-0.73dis
-3.05 5-4 pm
-14.84 210-1670d
-3.06 185-23dis
-2.64 184-224dis
-1.80 4°r-5 dis
-0.34 17-3 dis
-2.48 6°r-74 dis
-4.59 73-34 pm
-4.20 25°r-234 pm
-6.22 4′r-6 pm 0.08-0.13c dis 0.15-0.23c dis 17₄-13c pm par-8o dis 2-2-3cro dis 0.13-0.31p dis 17₅-13₁pf pm 225-285c dis

Belgian rate is for convertible francs. Financial franc 78.85-76.95.

1.3125-1.3135 1.7055-1.7065 4.24-4.25 75.95-76.05 13.704-13.714 1.2192-1.2202 3.744-3.754 197.50-198.65

Six-month forward dellar 0.83-0.88c dis. 12-month 1.95-2.10c dis. OTHER CURRENCIES Note Rates 25,85-26,55 76,25-77,05 13,62-13,74 11,48-11,50 5,734,-3,775, 2505-2340 518-580 4,213,4,263, 10,77,10,88

EVALLAGE ABORE DATES

EACHARGE (UNUSS TR	r E3			•			•		
Aug. 23	Pound Striling	U.S. Dollar	Deutsche m'i	panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dolla	Belgian Franc
Pound Sterling	0,762	1.515	8,753	\$16.0	11,656	3,135	4,245	2531.	1.706	76.00
U.S. Dollar		1.	2,865	240.7	8,794	2,366	3,281	1774.	1.399	67,88
Deutschemark Japanese Yen 1,000	0,266 6,165	0.550 4.155	11,88	88,21 1000,	8,079 86,67	0,835 9,913	1,131	- 521,2 7877.	0,455 5,899	20,25 240,5
French Franc 10	0.865	1.156	3,248	273.6	10.	2.711	3.674	2017.	1,476	65.77
Swigs Franc	0.319	0.419	1,198	100.9	3.689	1,	1.565	744.1	0,545	24,26
Dutch Guilder	0,235	0.509 :	0.884	74,44	9,792	0.758	1,821	549,1	0,408	17,90
Italian Lira 1,000	0,489	0.563	1,610	135.6	4,957	1.644		1000,	0.732	32,60
anadian Collar	0,586	0.770	2,200	186,8	6,775	1,536	2,488	1366,	I,	44,55
Belgian Franc 100	1,516	1.728	4,938	414,9	15,20	4,122	5,585	3067.	2,945	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Aug. 23	Storling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italien Lira	Belgis	in Franc	Yen	Danisi
Short term	1118-1114	!	113e-117g 111g-12 111g-121g 12-121g 12-121g 121g-125g 121g-125g	613-616 6-619 6-613 614-639 656-634 679-7	2.814 178 218 478-5 413-514 514-518 5-518	5.518 518-514 514-519 512-568 512-639 512-639	107g-71 1042-114 11-114 114-1112 117g-1313 124g-1346	1514-1414 1134-1414 1348-1378 1418-1458 18-1512 1558-1618	1112-13 1114-1134 11-1112 11-1112 11-1112 1112-18	1114-1119 1116-1139 1116-1134 11-1114 11-1114 111g-1116	5-81 ₈ 5-3-63 6-3-64 63-6-3- 63-5-3-6	1012-11 1012-11 11-11 1114-11 1114-11
	 e		La-e 2020- 491	. 115		do um 412L	11th. nor on		h 4455	ABA ABAR: 1	me manhe	4412

Asien 5 (closing rates in Singapore): Short-term 11%-11% per cent; seven da ye 11%-11% per cent; one month 11%-11% per cent; three months 11%per cent; six months 12%-12% per cent; three months 11%per cent; six months 12%-12% per cent; three years 13%-13% per cent; three years 13%-13% per cent; six years 1

MONEY MARKETS

UK rates firmer on dock strike fears

London yesterday in reaction to the possibility of a national strike by dock workers and pressure on sterling. The yield curve on most money instruments flattened appreciably from Wednesday's reverse curve, indiweanessay's reverse curve, indi-cating the market's concern. Three-month interbank money rose to 10 ii-11 per cent from 10 i-10 i per cent, while three-month eligible bank bills were bid at 10 ip per cent up from 10 iv per cent. Overnight interbank money traded between 13 per cent and 11 per cent.

The Bank of England forecast a shortage of around #500m with factors affecting the market including maturing assistance and a take-up of Treasury bills together draining £198m and the unwinding of previous sale and transcriptors affective for the property of the factors and the contractions of the factors and the contractions after the factors and the factors are further as a further the factors and the factors and the factors and the factors and the factors are also as a factor and the factors are also as a factor and the factor after the factor and the repurchase agreements a further £164m. In addition Exchequer transactions drained £100m and there was a rise in the note circulation of £20m. Also banks brought forward balances £40m

The forecast was revised to a shortage of around £550m and the Bank gave assistance in the

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. August 93) bid 11 13/16 | offer 11 15/16

6 months U.S. dollars

The fixing rates are the arithmetic mans, rounded to the searest one-sisteenth, of the bid and offered rates for Slom quoted by the market to have reference benks at 11 am each working day. The banks are National Wasuminater Bank, Bank of Tokyo, Doutsche Bank, Benque Nationale de Paris and Morgan Guarenty Trust,

morning of £265m. This comprising purchases of £3m of eligible bank bills in band 1 eligible bank bills in band 1 eligible bank bills in band 1 at (up to 14 days) at 10½ per cent 10½ per cent and £26m in band and £105m in band 2 (15-33 days) 2 at 10½ per cent. In band 3 under the Presidency of M 63 days) it bought £82m of it bought £5m of eligible bank bills at 10½ per cent and in eligible bank bills at 10½ per bills at 10½ per cent and in years to 10½ per cent. This is down from Wednesday's level of eligible bank lower to 10½ per cent. This is down from Wednesday's level of eligible bank lower to 20 far achieved under the Presidency of M Francois Mitterrand. Since his eligible bank bills at 10½ per cent and in years to 20 per cent. 63 days) it bought £82m of eligible bank bills at 104 per at 104 per cent. In band 3 (34-cent and in band 4 (64-91 days) £10m of Treasury bills and £55m 63 days) it bought £82m of it bought £5m of eligible bank bills at 10½ per cent and in band 3 (34-cent and in band 4 (64-91 days) £10m of Treasury bills and £55m of eligible bank bills all at 10½ per cent. The Bank also provided late assistance of eligible bank bills all at 10½ per cent. The Bank also provided late assistance of £100m, making a total of £419m. In Paris call money fell to its lowest level for three and a half

MONEY RATES Paris Zurich Amst'dam Tokyo Milan Brussels | Dublin 164-166 : 11,50 164-166 : 114-114 5,46-5,55 5,7-5,85 5,75-5,90 5,80-5,95 654-57g 6-616 5.96875 6.34375 11₂.21₂ 45₄.47₈ 161g-167g 211g-115g 111g-115g 6,28126 44.5% 64-64 66-64 534

114 Discount Houses Deposit and Bill Rates **LONDON MONEY RATES** 11—13 ernight..... 11-111₂ 107₂-11 1078-114 107g-11 107g -1034 1034 1034 1014-11 1046-1014 1016-1014 10-1016 114-1128 1116-1114 1128 1118 10% 10% 10% 10% 9%-10 -10% 10% 9% 104 104 104

Ekçu Lined Deposits MONEY RATES NEW YORK (Lunchtime) 1114-11 1118-1078 1034-1014 11-1034 11-1034 Prima rate Broker joan rate ... 9); 10;; 10;; 10;; 10%-10% 10/2-1012 Treasury Bills One month Two month Three mont

FINANCIAL FUTURES Gilts rally

Close High Low Prev 88.41 88.44 82.39 88.43 Dec 88.03 88.09 88.03 88.09 88.03 88.06 March 87.72 87.75 87.71 87.54 June 87.49 87.54 87.47 87.52 Sept 87.28 8738 8728 87.33 Previous day's open int 13,120 (13,031)

STERLING £25,000 \$ per £

DEUTSCHE MARKS DM 125,000 \$ per DM

JAPANESE YEN Y12.5m \$ per YY100

Close High Low Prev Sept 0.3499 0.3500 0.3496 0.3477 Dec 0.3652 0.3553 0.3552 0.3539 Est volume 14 (17) Previous day's open int 312 (307)

Close High Low Pr Sept 0.4162 0.4162 0.4158 0.41 Dec 0.4220 0.4223 0.4217 0.42 Est volume 3 (1) Pravious day's open int 183 (183)

High Low Prev 0.4162 0.4158 0.4152 0.4223 0.4217 0.4210

FT-SE 100 INDEX | Sept | Sept

although this may be delayed by

the present industrial unrest. The July trade deficit of £137n

was also better than market esti-mates of around £500m, and

coupled with the weaker dollar helped to underpin gilt futures. Three-month sterling deposits

were depressed by the weaker pound and the rise in London

money market interest rates. September delivery opened at 89.53, near the day's low, but recouped part of the day's losses to finish at 89.63, against 89.73

on Wednesday. U.S. bond futures were weak.

mainly on profit taking, while Eurodollars on Liffe were steady

U.S. TREASURY BONDS 8% \$100,000 \$2nds of 100%

U.S. TREASURY BONDS (CBT) 8% \$100,000 32nds of 100%

U.S. TREASURY BILLS (IMM)

CERT. DEPOSIT (IMM) \$1m points of 100%

Entert 88.55 88.18 87.84 87.60

Latest 88.13 87.74 87.42 87.17 85.95 86.79

THREE-MONTH EURODOLLAR (IMM) \$1m points of 100%

High 1,3130 1,3175 1,3250

62-31

High Low 85-02 65-27 65-10 65-04 64-12 64-12

62-30 —

Prev 65-30 65-06 84-11 63-19 62-31 62-14

CHICAGO

Gilts were suprisingly firm on supply figures wil be good in the London International Financial Futures Exchange yesterday. September delivery opened weaker at the day's low of 105-08 following a weaker trend in the U.S. bond market overnight, and

U.S. bond market overnight, and the threat of another national dock strike in the UK. From this point the market rallied strongly to close at almost the high point of the day, at 105-28, compared with 105-20 previously.

The rally did not appear to be prompted by any news, but the market seemed fairly confident that despite the weaker undertone to sterling, because of the threatened strike, there was unlikely to be an increase in London bank base rates. Hopes that the next set of UK money LONDON THREE-MONTH FURODOLLAR S1m points of 100%

Aug. 23 Prev. close

THREE-MONTH STERLING DEPOSIT E250,000 points of 100% Close High Low Prev
Sept 89.63 89.68 89.50 89.73
Dec 89.65 89.70 89.50 89.84
March* 89.42 89.52 89.37 89.80
June* 89.23 89.23 89.17 89.39
Est volume 2.333 (1.936)
Previous day's open int 8.514 (8.289)
* £500,000 points of 100% THE DOLLAR SPOT AND FORWARD 20-YEAR 12% NOTIONAL GILT 250,000 32nds of 100% 7. Inverse p.s. months p.s. 1.17
1.11 0.306-0.47dis -1.17
1.11 0.306-0.20 pm 0.83
10.37 0.07-0.11dis -0.28
5.73 4.51-4.47 pm 5.55
0.73 11-9 pm 0.69
0.75 2.85-2.35 pm 0.99
6.63 4.53-4.48 pm 6.28
-28.64 425-1150 d -20.88
-2.19 100-120 dis -2.83
-1.86 9-102 dis -2.81
-1.86 9-102 dis -2.81
-1.86 9-103 dis -2.31
-1.59 2.85-3.55dis -1.49
5.55 3.34-3.29 pm 5.51
5.21 251-232-pm 4.91 E50,000 32nds of 100%.

Close High Low Prev
Sept 105-28 105-29 105-08 105-20
Dec 105-01 105-01 104-18 104-24
Merch 104-12 — 104-24
June 103-29 — 103-20
Est volume 2,558 (4,238)
Previous day's open Int 3,143 (3,350)
Basis quote (clean cash price of 13½%
Tressury 2003 less equivalent price of near futures contract) 02 to 10 (32nds)

1.3076-1.3135 1.3125-1.3135 0.09-0.130 dis 1.0745-1.0725 1.07265-1.0725 0.15-0.5e pm 1.2990-1.2999 1.2990-1.2995 0.32-0.05c dis 3.2200-3.2375 3.2300-3.2325 1.56-1.33c pm 10.431-10.451 10.442-10.449 0.90-0.400re pm 1.2819-2.8710 2.8619-2.8710 0.90-0.400re pm 1.83.35-163.35 16 t UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 58.50-58.80. **CURRENCY MOVEMENTS CURRENCY RATES** Sank : Special | Europes Aug 2 | rate Drawing : Current 2 | Rights Unit 77.9 155.1 89.9 114.0 90.0 77.5 125.9 143.2 113.4 66.4 47.7 166.4 12.43 - 14 20.5097 11 58,9565 7 10.6500 44 2.89564 5 3.29574 912.8.97060 1532.1807.58 5 245.449 8 24.146 167.263 9 8.46831 4 2.43208 2016.17.327 122,0.946524 Canadian S...
Austria Sch.
Belgian Fr...
Danish Kr...
O'mark...
Guilder...
French Fr...
Yen
Norwgn Kr...
Swedish Kr...
Swedish Kr... 18,6947 45,1251 8,14656 2,23569 2,52183 6,86496 1383,71 187,861 6,44043 128,021 6,46889 1,86145 89,6772 0,73459

1980-1982=100. Bank of England Index (base average 1975=100).

WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

62-31

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, August 22, 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified

Bank of America, Economics Dept., E.M.E.A. London Eurodollar Liber as of August 22 at 11.00 a.m. 3 months: 12 6 months: 12 1/4

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

FCU=\$LK.774542 SDR1=SUS1.01595 Sibor as of August 22 at 11.00 a.m. 3 months: 12 6 months: 12/2

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY		VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	60.60	Grenada,	E. Caribbean 8		2.70 8,8805	Paraguay	(Guarani (O,C)	240.00 443.50
Albania	Lek Diner	7.7076 6.001	Guadaloupe Guam	Franc ILR S	:	5,8605 1,00	Peru	Sol (a)	3720.30
Andorra	JFr, Franc	. 8,8805	Guatemala	Quetzal	ī	1.00	B Philippines	Peso (5)	10.06
Angola	isp. Peseta	: 165,20 30,214	Guinea Bissau Guinea Rep	Peso		82,7345 24,2978	Pricairn is	N.Z. Dollar	1,9988 115.04
Antiqua	nwanza E. Caribbean S	-2.70	Guyana	Dollar ·	•	3.75	Portugal	Escudo	151.00
Argentina	New Peso (q)	. 2.70 69.651	1				Puerto Rico	U,S. \$	1,00
Australia	Dollar	1,1693 20 302	Haiti	Gourde		6,00 2,00	Qatar	Rivai	3,641 :
AZDIES.,	POR, ESCUGO	151.00	Hong Kong	Dollar		7.848		=	
Lahamas	Dollar	· 1.00	Hungary	Forint	•	49,382	Reunion, lie de la., Romania	Pr. Franc	B,8805 . 4.75
Bahrain	Dinar En Besste	0,3769 165,20	iceland	Krona		31.24	l Rwanda	Franci	101.098
Bangladesh	Take	24.20 8.0113	India	Rupish ·		11.57 1042.00	St. Christopher St. Helena	E. Caribbean 5	. 2.70 1.3104
Barbados	Doller	! 2.0113 : 58,38	I tran	Rial (O)	•	90.8511	St. Lucia	E. Caribbean S	2,70
Belgium	Franc (C)	• 58.99	Irian Rep	Dinar ·		0.3109 1.068	St. Lucia St. Pierra	Fr Franc	· 8,880\$
Belize	Dollar	2.00	letsel	Shekol		311.46	St. Vincent Samoa (Western)	E. Caribbean	2.70 2.065
Bernuda	C.F.A. Franç Doller	444.025 1.00	Italy	Lira		1768,00	Samoa (Am.)	u.s. s	1.00
Shutan	Ind. Rupee	11,57	Ivory Coast			444.25	San Marino	lt. Ura	1788,00
Bolivia	Peso (o)	2000,00	Jamaica	Dollar (o)		3,87 242,05	São Tome & Principa DR	Dohra	44,5397
Botswana	Peso (d) Pula (fil	9000.00	Japan	Dinar		0,5817	Squdi Arabia	Riyal (4)	3.53
DOGLETING LEREOFF	C-rate reason (/)	444.025	1		•		Senegal	C.F.A. Franc	444,025
Brazil	Cruzeiro (o)	2022.00	Kampuchea Kenya	Riel Shiling		n.a. 14,5547	Seychelies Sierra Leone	Kupee	7.1209 2.51
Brunei Bulgaria	Dollar	2.145 1.0065	Kiribati	Aust. Dollar	:	1,1693	Singapore	Dollar	2,145
Burma	Kyat	8,0107	Koren (Nth)	Won	- :	0.94	Selomon Is	Dollar	. 1,2967
Burundi	Franc	120,773	Korea (Sth) Kuwait	Won Dipar	,	809,60 0,2958	Somali Rep South Africa	SRHIING Rand	. 17,28 1,5564
Cameroun Rp	C.F.A. Franc	444,025	Lac Pole D. Rep		•	10.00	t Spain	Paseta	. 165,20
Canada	Dollar En Doceta	1,4013 165.20	Lebanon	Pound		6.276	Span. Ports in N. (Africa	Sp. Peseta	165,20 .
Cape Verde la	Escudo	80.00	Lesotho	Loti	- ;	1,5564	ISN Lanka	Runee	25,275
Cayman Is	Dollar	0,836	Libya	Dollar Dinar	i	1,00 0,2961	Suden Reb	Pound	0.7692
Chad	C.F.A. Frant	444.025 444.025	E Liechtenst'n	Sw. Franc	•	2.412	Swaziland	Guilder	1,785 1,5564
1 Chile	Peso (O)	92.69	Frixemports		:	58,38	Sweden	Krone	' B.31
Colombia	Renminbi Yuen	2.4028 103.76	Mac20	Pataca .		8,158	l Switzerland	Franc	2,412
Compres	Peso (U) C.F.A. Franc	444.025	Madagaşçar D. R	Franc Port, Escudo	i	610,268 151,00	Syria	rouna (O)	3,925
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Czechoslovakia	Koruna (O)	6.70	Mail Rp	Franc (3)	•	888.05	Tonga is	Pa'anga	1.1693
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n.e. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (a) Fraemarket central bank. (b) Official rate. (b) Fraemarket interbank. (c) Commercial rate. (d) Fraemarket. (e) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non-essential imports. (i) Floating tourist rate. (i) Vanezueller For debts incurred prior to February 1983. (2) Mail Rep. has tejoined U.M.O.A. and effective June 1. CFA tranc is official currency. (3) Mail Rep. thas terior to U.M.O.A. and effective June 1. CFA tranc is official currency. (3) Mail fram remains legal tender for three months from June 1. (4) Saudi Arabla: Riyal devalued from 351 to 3.53. August 12. (6) New Zeeland: Official devaluation of 20%, July 18. (6) Botswans: Approx. 5% devaluation effective July 8. (7) August 4 Upper Volta changed its name to Bourking Fasso. For further information please context your local branch of the Bank of America.

Purchase of gold

in any quantity from 50 gr. to 250 kg. per day. Only private direct purchase. No intermediaries. (Holder of trading license for precious metals.) Expellee sellers please reply under number 2173 B ofa, Oreli Füssli Advertising AG Postbox CH-3001 Berne.

Company Notices

REPUBLIC OF COSTA RICA LOAN

FLOATING RATE BONDS APRIL 1978-1985

(1) of the series including the 2,220 bonds drawn at the eighth drawing of lots on August 8, 1984, representing the entire nominal amount of U.S.\$2,220,000 to be

redeemed as at October 15, 1984. 1 to 2,144 6,765 to 15,461 19,902 to 20,000

(2) of the series previously drawn by lot among which are bonds not yet presented for reimbursement. Drawing of lots 20th August 1981

Reimbursement 13th October 1981 17,479 to 19,698 Drawing of lots 16th February 1982 —Reimbursement 13th April 1982

—Reimbursement 13th April 1982 15,462 to 17,478 19,699 to 19,801 Drawing of lots 20th August 1982 —Reimbursement 13th October 1982 3,283 to 5,502

Drawing of lots 15th February 1983

—Reimbursement 13th April 1983
2,145 to 3,292
5,503 to 6,764

5,503 to 6,764

Drawing of lots 19th August 1983

-Reimbursement 13th October 1983

10,865 to 13,064

Drawing of lots 15th February 1984

-Reimbursement 13th April 1984

13,085 to 15,304

These bonds will be redeemable at U.S.\$1,000 at FRENCH

AMERICAN BANKING CORPORATION in NEW YORK and at the offices of the following establishments:

- BANQUE NATIONALE DE PARIS - PARIS
- BANQUE NATIONALE DE PARIS (LUXEMBOURG) S.A.
- LUXEMBOURG
- BANQUE INTERNATIONALE A LUXEMBOURG S.A.
LUXEMBOURG

MERRILL LYNCH NTERNATIONAL BANK LIMITED -

Outstanding amount, taking into consideration securities previously repurchased: U.S.\$2,240,000

Electricite de France E.B.F. U\$\$400,000,000 Floating Rate Notes due February 1999

The applicable interest rate for the period beginning on August 23 1984 and ending on February 25 1985 as fixed by the reference agent is 124 per cent per annum so USS639.38 by the denomination of USS639.38

Personal GES SPAINL 2, 3, 4 Novemberds per day. 10 guns, 3 vacancies Major Neil Ramsey & Co., Far Abertoldy PH1S 2/E, Tel. 088 Telex 76371. Clubs Art Galleries

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. I following are closing prices for August 23.

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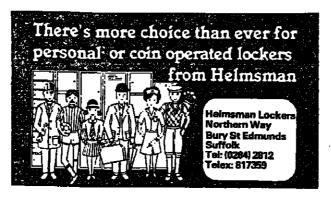
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OVER-THE-COUNTER 114, 115, 304, 31
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345, 345, 24, 24, 211, 115, 115, 224, 225, Continued from Page 22 NickOG NicksA Nicks B -75 +73 +78 +78 + 14 + 15 + 15 + 14 OCG To Control Object Columns College 34 34 124 4 344 172 34 177 35 177 35 177 35 184 85 +14-4-4-4 -14 -12 +13 -14 +14 -1₂ 232 外发的现在形式地位12271时对2万以次约5万的437次的43万数的时候为163544的第一人的第一人的1236的1234的1236的124的13473时,1226万数145145时间,其下的1526的 1236的124的13473时,1226万数145145时间,其下的1526的1236的1340的13473时,1226万数145145时间,其下的1526的1324的13473时,1226万数145145时间,其下的1526的1324的13473时,1226万数145145时间,1226 387 90 281 555 628 80 67 1034 227 244 82 1336 24 26 24 28 24 24 +++4 5 4++4 4++4 4+ ·西午时的名词,与为中代的特殊的经验的文件的特殊的是不断的最大的经历的影响,并不是对外的特殊的人们的现在分词的影响,由为中代的特殊的对象的现在分词的影响的特殊的人的特殊的人的现在分词形式的人们的影响, Service Servic Pactor s
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COMMERZBANK OVERSEAS FINANCE N. V. U.S.\$ 100,000,000 Floating Rate Notes Due 1989

In accordance with the provisions of the Notes notice is hereby given that for the three months period from August 21, 1984 to November 21, 1984 the Notes will carry an interest rate of 11 1946% per annum with a coupon amount of U.S.\$ 305.07.

Frankfurt/Main, August 1984 COMMERZBANK



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Indonesia in \$500m joint yen-dollar loan

BY MARGARET HUGHES IN LONDON

IDONESIA is raising \$500m on the Eurocredit market. It has awarded the mandate for the two-tranche loan to Chase Manhattan Asia, Manufacturers Hanover, Industrial Bank of Japan and Bank of Tokyo. An amount of \$200m will be raised in yen, for which Bank of Tokyo will be lead manager. The other three banks will lead manage the \$300m dollar tranche for which Manufacturers Hanover will be agent. The yen tranche will be for 10 years with a five-year grace period while the dollar portion will be an

of a revolving credit for the first four years converting to a standard on the dollar loan will be % per cent above Eurodollar rates for the first four years rising to % per cent over the last four. The interest on the yen portion will be the Japanese long-term prime rate which will be reviewed every six months. The front end fee is % per cent

and the commitment fee is a ¼ per cent. There will also be a utilisation the which Indonesia will have to pay one 60 per cent of the loan has been drawn. This would be a flat fee of % per cent on the amount of the

The interest margin on the credit is a little finer than on the previous \$750m Euroloan raised by Indonesia earlier this year. Then it paid % per cent over Eurodollar rates and 0.2 per cent above prime in the prime transhe Elsewhere in Asia, the mandate

has still to be awarded for the synun of banks some loan which India's state undertaken as owned National Aluminium Company Nalco is raising to cover cost on y of Canada.

NEW YORK-DOW JEES

129.82

Aug 23

100.77

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ES S.3 4.7

ALY.S.E. ALL COMPANDS

Aug Aug 23 22

MONTREAL Portfolio

10% 31½ 31½ 4½ 10½ 30½ 7½ 15% 35% 45%

139.86

Аца 21

Aug 21 Апр 20

Aug 20

128.EU

71a

84.50

11.52 12.66

1984

87.71 (6/1)

3.00p.m. Price 33% 124% 19 42% 31%

Stacks Traded 1,044,708 885,208 889,409 757,988 699,488

LOW

85.13 (24/7)

Ang 21

2022.5" 2020.5 2020.3 2005.5" 2302.3" 2350.6 2350.6 2332.0

116.58- 118.30 118.31 115.15

12

Aug. 17

163.7

Ang 8

3.92 11.45 12.99

Aug 16

High

150.68 (21/8)

Aug 1

18.88 12.65

197.74 (24/7)

147.82 (24/7)

RISES AND FALLS

Aug 22

25MA (12/1) 2585.7 (6/1)

Stocks Traded 652,800 841,890 639,366 627,909 581,898

overruns on its Orissa project. The deadline for bids was last Friday group, headed by Chase Manhattan Asia and including National West-minster Bank has sumbitted a fully underwritten offer. The terms are to be 0.5 per cent over Eurodollar rates for the five years rising to % per cent over the last three years of this eight-year loan.

spared basis and is seeking a mar-gin of % per cent on this portion. The Chase offer is understood to have been somewhat higher than this since it wants to equate the terms to those which it is proposing on the conventional tranche. ment is also believed to be a good deal lower than the minimum of \$100m which Nalco wants. It is ex-

possible of the credit on a tax-

delay awarding the mandate in the hope that other banks may submit offers. Nako is reported to have said in New Delhi that Banque Nationale de Paris (BNP), which arranged the initial financing for the project, had also submitted an offer on the same terms as that by the Chase-led group. BNP in Paris would not com-ment yesterday.

● The mandate for a \$325m project financing loan for the Clover Hill Brunswick has been awarded to Banque Indosuez, Deutsche Bank and Royal Bank of Canda. The loan will be syndicated to a limited group of banks. The project is being undertaken as a joint venture of Denison Mines and Potash Compa-

812.63 448.83 512.63 (25/7) 871/84 134.83 122.25 163.72

Ang 3 Your Ago (Asperas)

High Low

172.15 4.49 (10/18/53) (1/8/32)

3.95

AUg 21

2.80p.m. Price 4874 281/2 1874 271/4 58

Change en Day + ¾s - ¾s + ½ + ¾-

Nordic Investment Bank launches zero coupon bond

BY MAGGIE URRY IN LONDON NORDIC INVESTMENT Bank yesterday became the third borrower within 10 days to launch a zero

Export Credit last week. NIB's zero is small - its face-value is \$150m and, with a 31.75 price, it raises only \$47.825m.

Like the SEK and Electricité de France issues, NIB's has a 10-year maturity. The lower price reflects Morgan Guaranty is lead manager, as with EdF, and Banque Paribas and Daiwa Europe are co-leads, illustrating the areas where the bonds will largely be sold.

The issue traded at around 1 point discount, inside its gross fees of 1% per cent. At the issue price the yield to maturity is 12.18 per cent. Less the gross fees, the yield is 12.61 per cent. Only one floating rate note ap-

peared yesterday after Wedneslay's bonanza. It was a Euromarket debut for the Washington D.C. bank Riggs National and raised \$50m. Morgan Stanley with a yield of & per cent over three-month London interbank offered rate (Libor) and otal fees of 2% per cent.

The new name took a little time to get moving, but the issue traded inside its total fees. Co-leads are Banque Paribas and Salomon

a \$70m 15-year issue for security company Secom, traded well at around 101 compared with a par is-sue price and total fees of 2% per

following the fall in New York on Wednesday and prices fell around % point. Dealers were already getting their books straight ahead of the

BMF Bank bond average Presiden \$9.817 bond coupon and dealers presume Low 98.066 it will also take advantage of the swap formula used by the Swedish

month without any new which has allowed demand to rebuild. Its seven-year bond carries a 12% per cent coupon, slightly soft-

ened by a 99% issue price giving a 12.81 per cent yield. The last Canadian dollar issues had coupons around 14 per cent. Lead manager is Wood Gundy. The issue, looking for buyers in the Benchux countries, West Germany and Austria, got off to a slow

start but picked up to trade just in-side total fees of 1% per cent. Lloyds Bank has placed the first £10m of the £50m tap attached to its £150m Eurosterling issue launched in July. The issue sold well at the The remaining £40m has to be sold if at all, by December, in minimum tranches of £10m.

In the Swiss franc market, prices were slightly better where changed in moderate turnover. A SwFr 100m public issue from Japan Finance for Municipal Enterprises, guaranteed by the Government is expected to day. The yield is likely to be 5% per cent for the eight-year bond. Lesd

manager will be SBC.

Konishiroku Photo's two con francs - were priced yesterday. The cent coupon and 3.36 per cent conties (Europe). SBC priced the Swiss franc bond with a 2% per cent coupon a 4 per cent below the indica-3.36 per cent as well.

D-Mark bonds gained "i point on

The City of Winnipeg reopened than made up for the the Canadian dollar sector after a New York bond market. than made up for the fall in the

Revised loan terms for **UK Electricity Council**

BY MARGARET HUGHES IN LONDON

renegotiated the terms for the re-maining four years of a 10-year Japanese, will not receive a renego-\$500m Euromarket loan, which it tration fee. signed in September 1978.

The council, in conjunction with the UK Treasury which is guarantor for the loan, has succeeded in negotiations with Sumitomo Bank, which co-ordinated the original percentage point in the interest rate that it will pay over the next four years, saving \$1.875m.

Under the original terms the council was to have paid % per cent over Eurodollar rates for the first

BRITAIN'S Electricity Council has of only 4 of a point over the last

The council renegotiated the terms to take advantage of the easier terms now prevailing in the Euromarket. It is the first UK borrower to do so, after similar moves by other European borrowers such as Ireland, Denmark, Sweden and Ita-

The council first raised funds in the Euromarket in 1968 and was an then, however, it has more often been a premature repayer of loans

•			19	84
·	Ang 22	Aug 15	High	Low
Composite Corp. AA Sovernment:	18.14	13.18	14.23	12,19
Long-term .	12.45	12.66	13.88	11.51
Intermediate	12.53	12.57	13.79	11.23
Short-term	· 12.26	12.29	13.22	10.70
Municipal	10.06	9.84	11.14	9.48
ndustrials AAA	12.48	12.59	13.66	11.79
adustrials AA	13.01	13.09	14,13	12.62
Milities AA	13.28	13.28	14.45	12.33
referred Stocks	11.66	11.65	12.77	11.07

ind

ces				•	•	
	Aug.	Aug. 22	Aug.	Aug.	1984 High , Low	
AUSTRALIA						
All Ord. (1/1/80) Matal & Minis. (1/1/80)	747.p 478.0	751.9 483.7	759.3 470,8	785.5 471.6	787,9 (9/1) 567,4 (5/1)	846,5 (1946) 404,9 (24,7)
AUSTRIA Credit Aiktien (2/1/82)	65,28	63,25	65,59	55.55	56,21 (2/1)	53.20 (Teid)
BELGIUM Belgian SE (81/12/88)	155.50	154,76	152,25	150.80	158,25 (7,5)	185,28 (4:1)
DENMARK Copenhagen SE (3/1/88)	152,65	192,19	192.66	192.68	225,21 (20,1)	173,27 (1/6)
FRANCE CAC General (81/19/87) Ind Tendance (80/12/88)	168.2 107.7	165.7 107.8	165.4 105.8	162.8 105.0	181.7 (5/6) 736.0 (5/6)	158,6 (8/1) 98.4 (8/1)
GERMANY FAZ Aktien (51/12/58) Commerzbank (1/12/58)	537,97 962,6	541.39 993.8	341,05 992,4	349.85 968.1	579,84 (2/2) 1896,5 (2/2)	517,17 (25/7) 917,7 (25/7)
HONG KONG Hang Seng Bank(61/1/64)	89 L,12	907,88	597,48	895,90	1170,35 (19/5)	745,02 (15/7)
ITALY Banca Comm Ital. (1972)	248,48	219,79	216.54	217,58	229,67 (1/9)	T92.06 (2:1)
JAPAN** Nikkel-Dow (18/6/49) Tokyo SE New (4/1/68)	10645.6 615,08	10585,5 81,518	10486,0 813,39	,10586.5 10586.5 10586.38	11,190,17 (4/6) 878.92 (2/4)	8795.35 (25/7 750.45 (4.1)
NETHERLANDS ANP-GBS General (1878) ANP-GBS Indust (1878)	185.0 182.1	764.8 151.6	162,6 129,8	760,6 128,7	178.8 (1/21	148,8 (\$4/7) 118,7 (18,6)
NORWAY Osio SE (4/1/55)	285.47	284.44	259.56	290.05	298,70 (9/5)	221,67 (4/1)
SINGAPORE Straits Times (1966)	62,28	940_80	959.16	985,67	1071.91 (2)	867,58 (12:7
SOUTH AFRICA Gold (1968) Industrial (1858)	(u)	963.1 898.5	978.7 980.1	(a) 900,2	1975.8 (5:6) 1105.8 (26;5)	758,1 (24:1) 862,2 (7:8)
SPA(N Madrid SE (68/12/85)	139,40	139,69	139.90	· 189,48	T41.05 (8/5)	101.02 (5:1)
SWEDEN Jacobson & P. (1/1/58)	1525,50	1554,68	1526, 15	1,618,75	1594,5 (5/2)	1,390,00 (27%
SWITZERLAND SwiseBank Con.(51/12/68)	781.5	582,4	580.5	582,2	688.5 (&r1)	254.5 (25/7)
WORLD Capital Intl. (1 1/78)	 -	184.7	184.9	185.5	190,6 (5/5)	<u> </u>